

# 2018

ANNUAL REPORT



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# LETTER FROM THE CHAIR



Dear Shareholders,

On behalf of the Board of OneVue Holdings Limited, we are pleased to present OneVue's Annual Report for the 2018 financial year.

This report highlights both record results and a heightened focus on our strategic direction.

The industry has experienced a rapidly-changing operating environment, with accelerating disruption and growing regulatory challenges placing many participants in the spotlight.

OneVue is well-positioned to be a beneficiary of these changes in an industry where transparency and strong tailwinds will be a hallmark.

## Financial highlights for the year

In the 2018 financial year, OneVue grew revenues by a solid 20% to \$49.1 million, driven by a combination of strong organic growth and a good contribution from acquisitions.

Underlying EBITDA rose by 67% to \$7.5 million, and our EBITDA margin increased by 434 basis points to 15.4% – with all businesses contributing.

Our net profit after tax was up \$6.9 million to \$7.1 million, and our net profit after tax and acquired amortisation was \$10.0 million: a rise of \$7.6 million.

Acquisitions after divestments delivered an incremental increase in revenue of \$3.2 million.

## Business highlights for the year

### Fund Services

Fund Services had another strong year, buoyed by a significant pipeline of transitions including the National Australia Bank book and 11 fund managers, resulting in our funds under administration now exceeding \$500 billion.

The Superannuation Member Administration business also saw significant growth with the highlight being the acquisition of the KPMG Superannuation Member Administration business, a transformational transaction for OneVue.

It is worth noting that OneVue is now the fourth-largest superannuation administrator in the market.

### Platform Services

For some time, OneVue has been positioning itself towards capitalising on the shift away from traditional platforms to the disruptors. The opaqueness of the platform industry, together with the well-documented Royal Commission into financial services, will only serve to accelerate this trend.

### Superannuation Trustee Services

Superannuation Trustee Services continues to perform solidly and benefits from the growth in the managed account sector. Further, there has been rising interest in independent trustees, as the vertically-integrated model faces questions about conflict of interest.

## Acquisitions and divestments

Apart from executing on our day-to-day business over the 2018 financial year, it's important to note that OneVue also acquired two businesses, KPMG Superannuation Member Administration and No More Practice Education, and divested four (RE, SMSF Administration, Investment Management and WealthPortal).

These transactions underline our commitment to sharpening our focus on our long-term strategy.

## The year ahead

A core focus of the Board and Management has been positioning OneVue over a period of rapid change in financial services. As above, revelations from the Royal Commission will do nothing but add to the pace of said change.

OneVue believes that the shift to greater transparency for the industry – particularly around fees – will result in better outcomes for consumers, and will help rebuild confidence and respect in the long-term.

A company is constantly challenged in meeting the expectations of stakeholders, in particular between delivering short-term results for shareholders and staying true to a long-term strategy. While there's still a lot to play out over this period of tremendous change, we believe the benefits of adhering to our long-term strategy are becoming increasingly evident, and this gives us confidence in our future.

## Our people and shareholders

I wish to acknowledge the commitment of our dedicated staff and the contribution they have made to our growth over the past year. Building a business in the current environment is challenging and demanding. Our team's commitment to deliver for our clients every day is laser-focused and constant.

We've also been honoured to see Managing Director Connie McKeage awarded CEO of the Year at the 2018 Women in Finance Awards, a testament to her tremendous contribution to the industry and this company. It's a reflection on her drive and passion in building OneVue into what we are today.

Our management team, led by Connie, have driven enormous change in our business as we pursue our strategy, while ensuring we execute for our various stakeholders.

Further, Connie and the management team have built a culture in OneVue that's critical to our success.

On behalf of the Board, I thank them all.

Finally, I wish to acknowledge the support of our shareholders who have joined us on our journey.

Yours sincerely



**Ronald Dewhurst**

Chair

# LETTER FROM THE MANAGING DIRECTOR



In 2017 we systematically created a solid base from which to accelerate the growth of the business and ratified a strategy we felt would endure and prosper amidst enormous change throughout the industry.

Exiting the 2018 financial year, we couldn't have anticipated just how much change there would be, sending shockwaves right across Australia's financial services sector. And nor could we have anticipated the number of emerging opportunities, as multiple financial services organisations begin the process of rebuilding trust with their end investors.

This year, I would say, confirmed that our strategy is "right for the times".

Last year, you'll recall that OneVue pressed for greater transparency of platform costs and revenue drivers, with platforms being one of the few remaining participants in the value chain where fees remained tightly-bundled

and largely opaque. Revenue items such as shelf-space fees and cash margins had no visibility and continued to distort overall margins. We have continuously stated that we do not support nor charge shelf space fees and are encouraged that these type activities are finally coming under scrutiny.

As we leave 2018, there is a renewed commitment to disaggregation of this bundled approach and to remembering once more who the industry is here to serve – members and investors.

Financial services will not be immune to oncoming advancements, such as the ASX blockchain, the New Payments Platform initiatives and disintermediated proprietary networks. We will remember 2018 as the year we embraced these inevitabilities and seized the moment.

Looking back, we see 2018 as a year of action; a moment in time where we continued on our Twenty Mile March, but perhaps at a faster pace than ever before. So, we leave you with the top five 2018 financial year highlights as voted by the management team:

1. We simplified the business: we executed 6 transactions in 2018, divested ourselves of businesses that we considered non-core and redeployed capital in areas where we thought we could deliver enhanced scale and operating leverage.
2. We won the 'Most New Developments' Award in Platform Services for the second year running and catapulted from the 11th position to 7th and 3rd this year in the Investment Trends survey. Most importantly our differentiated wholesale Platform model gained momentum and was increasingly understood by the market.
3. Fund Services continued to execute its contracted pipeline and, for the first time in OneVue's history, became the fastest-growing part of the business, breaking through the 20% EBITDA margin and positioning itself for an exciting 2019.
4. The acquisitions of KPMG Superannuation Member Administration (KPMG) and No More Practice Education: the KPMG acquisition propelled OneVue to become the 4th largest superannuation administrator in the market. No More Practice Education significantly enhanced our education and marketing capabilities, enabling us to continue to make a difference to investors, advisors and fund managers alike, especially in light of the proposed FASEA education standards.
5. We invested in significantly improved internal efficiencies, by implementing a compliance system, ReadNow, and going live with a training system, SafeTrac. We also upgraded our finance systems to Microsoft Dynamics and followed that up by upgrading our payroll system. We drove forward with planned implementations of a rewards and recognition program partnering with Rewards Gateway and an On-Line Performance review program with ELMO.

We began transitioning clients across to Intellimatch, an automated reconciliations system. We also enhanced workflow, began the deployment of a ticketing system in customer service and focused on further improving our technologies and infrastructure, deploying the latest versions of technologies such as Darktrace and Mimecast whilst continuing to test our security via third party six-monthly penetration testing. Through 2019, we will continue to look for short-term opportunities while delivering to our longer-term strategy – but most of all, we will remain calm in the midst of tremendous change, giving ourselves the best chance to thrive in this new market environment.

Respectfully yours

A handwritten signature in black ink that reads "Connie McKeage". The script is fluid and cursive, with the first name "Connie" written in a larger, more prominent hand than the last name "McKeage".

**Connie McKeage**

Managing Director



# BUSINESS OVERVIEW

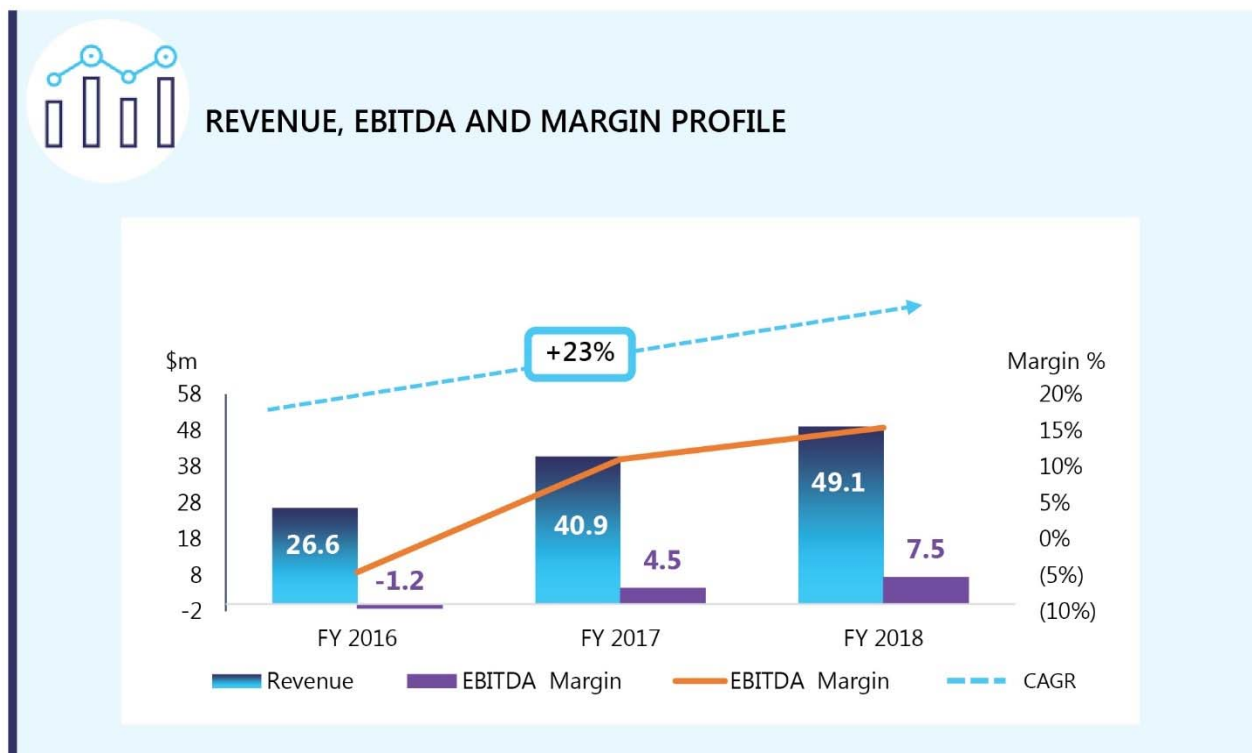
FROM START-UP  
TO GROWN UP





# BUSINESS OVERVIEW

Market leading businesses, servicing superannuation assets



## Benefitting from sectoral growth and structural disruption

- Legislated superannuation growth
- Shift to independent platforms and advisers
- Continuing move to external service providers
- Well positioned for impacts from the Hayne Royal Commission

## High quality business model

- 92% of revenues recurring, half of revenues not market sensitive
- Experienced management team
- High quality client base, with Top 10 representing 38% of revenues
- Track record of cash and profit generation

# OneVue business snapshot

	FUA#/FUT <sup>^</sup>	KEY REVENUE DRIVERS	KEY PROFIT DRIVERS	GROWTH DRIVERS
THE ADMINISTRATION BUSINESSES				
FUND SERVICES	\$503.9b (FMA) \$4.4b (SMA)	<ul style="list-style-type: none"> <li>Number/Type of items processed</li> <li>Value added services</li> <li>Number of funds, fund managers, and investors</li> <li>Number of members</li> </ul>	<ul style="list-style-type: none"> <li>Average revenue per items processed</li> <li>Average revenue per member</li> <li>Scale benefits</li> </ul>	<ul style="list-style-type: none"> <li>Legislative superannuation</li> <li>Regulatory and technology complexity</li> <li>Move to external service providers</li> <li>Contracted transitions pipeline</li> </ul>
THE DIRECT AND INTERMEDIATED DISTRIBUTION GATEWAY				
PLATFORM SERVICES	\$4.4b	<ul style="list-style-type: none"> <li>FUA bps</li> <li>Processing fees (fixed \$ per activity)</li> </ul>	<ul style="list-style-type: none"> <li>Average bps of FUA margin</li> <li>Scale benefits</li> </ul>	<ul style="list-style-type: none"> <li>Legislated superannuation</li> <li>Shift to independent platforms and advisers</li> <li>Fee transparency</li> <li>Removal of Limited MDAs (Oct 2018)</li> </ul>
THE INDEPENDENT				
TRUSTEE SERVICES	\$11.5b	<ul style="list-style-type: none"> <li>Trustee fees on bps</li> <li>Additional revenue from added value services</li> <li>Number of funds</li> </ul>	<ul style="list-style-type: none"> <li>Average bps of FUT margin</li> <li>Scale benefits</li> </ul>	<ul style="list-style-type: none"> <li>Legislated superannuation</li> <li>New start up funds</li> <li>New clients</li> <li>Growth from managed funds</li> </ul>

## NOTES:

# Funds under administration at 30 June 2018

<sup>^</sup> Funds under trusteeship at 30 June 2018

## Results highlights

Consistent execution against strategy drives record results

Revenue	EBITDA*	EBITDA margin
\$49.1m ▲ 20%	\$7.5m ▲ 67%	15.4% ▲ 434 bps
NPAT <sup>^</sup>	EPS	Operating cash flow <sup>#</sup>
\$7.1m ▲ \$6.9m	2.70 cents ▲ 2.62 cents	\$6.6m ▲ 34%

## NOTES:

\* EBITDA excludes non recurring costs and share based payments

# Operating cash flow excludes non recurring costs of acquisitions

<sup>^</sup> NPAT represents net profit after tax

## FY 2018 – business highlights

### Continued execution of group strategies

#### Fund Services

Transitioning contracted growth and driving new opportunities

- Items processed up 64%
- 11 new fund managers added
- Managed Fund Administration FUA up \$15b to \$504b
- Super Administration FUA up \$2.4b to \$4.37b, members up 55,000 to 145,015

#### Platform Services

Structural growth continues to drive record growth

- Gross inflows record of \$1.6b, up 33%. Net inflow record of \$859m, up 119%
- FUA reaches \$4.39b
- Top 3 platform in Investment Trends awards

#### Trustee Services

Leveraging high growth managed account sector

- FUT up 22% to record \$11.5b
- 3 new clients added



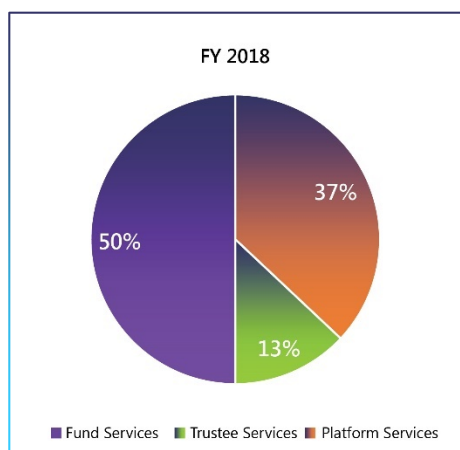
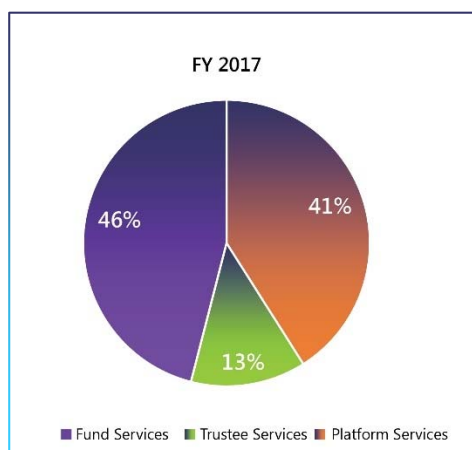
#### SHARPENING OUR STRATEGIC FOCUS

Redeployed capital enhancing operating leverage and scale

- Acquired
  - KPMG Superannuation Administration Services
  - No More Practice Education
- Divested
  - RE
  - SMSF Administration
  - Investment Management
  - WealthPortal

## Revenue profile

Fund Services is now the largest and fastest growing business





## Fund Services dashboard

Revenue growth and scale delivers EBITDA and margin improvement

Revenue	EBITDA*	EBITDA margin
\$25.3m ▲ 31%	\$5.2m ▲ 95%	20% ▲ 667 bps

FUA# Managed funds administration	FUA# Super member administration	Managed funds administration Items processed
\$503.9b ▲ \$14b	\$4.4b ▲ \$2.4b	354,565 ▲ 64%

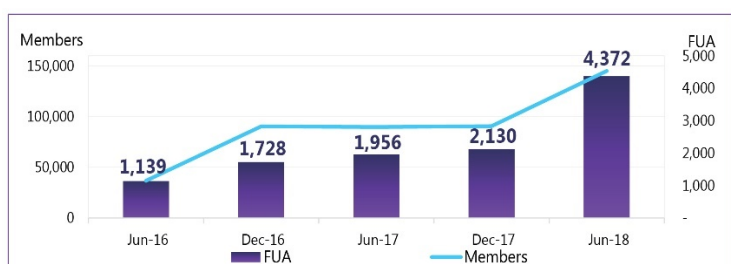
### NOTES:

\* EBITDA excludes non recurring costs

# Funds under administration

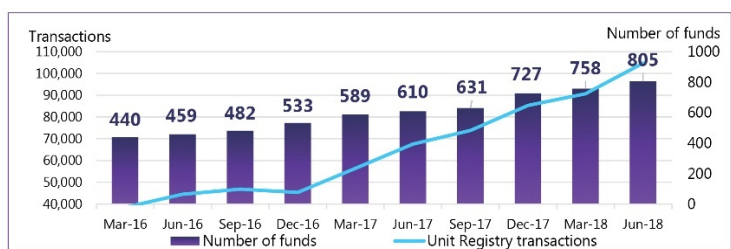
## Fund Services increasing momentum in structural growth market

### Super member administration



- Now number 4 in the market
- FUA increases from 1.1b in June 2016 to \$4.4b in June 2018
- Member numbers have grown to reach 145,015
- KPMG Superannuation Member Administration acquisition adds capabilities and scale
- Large and growing outsourced market

### Fund management administration



- Market leader
- Consistent track record of execution and growth
- Growing market dynamic of outsourcing

## Platform Services dashboard

Record FUA growth delivers increased scale and EBITDA profitability

Core platform revenue	Total revenue	EBITDA*	EBITDA margin
\$15.7m ▲ 23%	\$18.3m ▲ 7%	\$4.0m ▲ 8%	22% ▲ 35 bps

Retail FUA#	Gross inflows	Net inflows
\$4.4b ▲ 9%	\$1.6b ▲ 33%	\$0.9b ▲ 119%

### NOTES:

\* EBITDA excludes non recurring costs

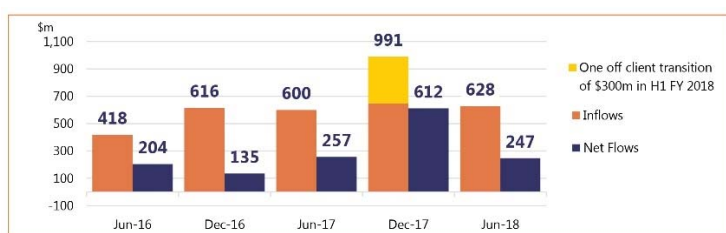
# Funds under administration

## Platform Services ongoing structural disruption

### Funds under administration



### Gross and net inflows



- Independent wholesale model well positioned with institutional clients co-funding capex investments
- Structured growth from superannuation sector
- Royal Commission and regulatory environment creates positive opportunities

## Innovation and awards



OneVue 3rd in full function platforms  
Up from 7th last year



Winner of 'Most New Developments'  
Second year running



Winner of Product Offering

## Superannuation Trustee Services dashboard

Revenue and EBITDA contribution since acquisition in October 2016

Revenue	EBITDA*	EBITDA margin
\$6.7m ▲ 20%	\$2.7 ▲ 24%	40% ▲ 134 bps
FUT#		
\$11.5b ▲ 22%		

### NOTES:

\* EBITDA excludes one off costs

# Funds under trusteeship

## Superannuation Trustee Services continuing growth in managed accounts drives record FUT

### Funds under trusteeship



- Managed account sector growth
- Positive shift to independent trustee model



## Key business measures

	H1 FY 2018	H2 FY 2018	FY 2018	H1 FY 2017	H2 FY 2017	FY 2017	CHANGE 18 VS 17	CHANGE %
<b>FUND SERVICES</b>								
Managed fund administration items processed	159,139	195,426	354,565	92,282	124,029	216,311	138,254	63.9%
Managed fund administration FUA (\$'b)	471.6	503.9	503.9	435.9	489.1	489.1	14.8	3%
Managed fund administration number of investors	134,079	139,681	139,681	114,321	119,823	119,823	19,858	16.6%
Super member administration FUA (\$'m)	2,130	4,372	4,372	1,728	1,956	1,956	2,416	123.5%
Super member administration members	90,529	145,015	145,015	90,395	89,845	89,845	55,170	61.4%
<b>PLATFORM SERVICES</b>								
Retail FUA (\$'m)	4,689	4,386	4,386	3,781	4,018	4,018	368	9.2%
FUA gross inflows (\$'m)	991	627	1,618	616	600	1,216	402	33.1%
Net inflows (\$'m) <sup>1</sup>	612	247	859	135*	257	392*	467	119.4%
<b>SUPERANNUATION TRUSTEE SERVICES</b>								
FUT (\$'m)	10,338	11,451	11,451	8,882	9,401	9,401	2,050	21.8%

### NOTES:

<sup>1</sup> Net inflows exclude market movements and transition out of IM business \$567m in March 2018

\* Includes \$225m transition out by one client.



# PEOPLE AND CULTURE

WORKING TOGETHER  
THROUGH HEADWINDS  
AND TAILWINDS





# PEOPLE AND CULTURE

## The OneVue philosophy



### We are 20 Mile Marchers

The best way for OneVue to maintain its high growth is to continue delivering consistently to our existing clients, ensuring we retain and grow with them, whilst also aggressively looking for new clients and opportunities.

## The 20 Mile March – The story of Amundsen versus Scott

The round trip trek was roughly fourteen hundred miles. The environment was uncertain and unforgiving, where temperatures could easily reach 20 degrees below zero even during the summer. They had no means of modern communications – no mobile phones, no satellite links, no radio – a rescue would have been improbable were they to err. One leader led his team to victory and safety. The other led his team to defeat and death.

Amundsen prepared rigorously for years in advance of the journey. He learned what worked in polar conditions, going as far as to live with Eskimos to learn how they moved in sub-zero temperatures and what they wore, ensuring he prepared for every conceivable situation that his team might encounter en route to the South Pole. He trained his body and mind with fanatical discipline. In contrast to Amundsen, Scott's preparation was limited, and what plans he made were based on his own intuitive conclusions, rather than direct research of the environment he was entering.

Amundsen stored three tons of supplies for five men, versus Scott, who stored one ton for seventeen men. Amundsen used sled dogs (learned from the Eskimos), whereas Scott used unproven 'motor sledges' which failed within days of his journey. Amundsen carried enough extra supplies to miss every single supply depot and still have enough to go another hundred miles. Scott ran everything dangerously close to his calculations, so that missing even one supply depot would bring disaster. A single detail aptly highlights the difference between their approaches. Scott brought one thermometer for a key altitude measurement and he exploded in 'an outburst of wrath' when it broke. Amundsen brought four such devices. The divergence in preparation goes on and on.

Unlike Scott, Amundsen systematically built enormous buffers for unforeseen events. He designed the entire journey to systematically reduce the role of big forces and chance events. He presumed that bad events would strike his team somewhere along the journey and he prepared for them.

On 15 December 1911 Amundsen and his team reached the South Pole. He and his teammates planted the Norwegian flag and then went right back to work. They could not have known that Scott and his team were now desperately man-hauling their sleds, 360 miles behind. More than a month later, Scott found himself staring at Amundsen's flag at the South Pole. Amundsen had already travelled five hundred miles back North. Scott and his team turned back dejected, just as the season began to turn. The already menacing weather turned more severe, while supplies dwindled and Scott and his men struggled through the snow.

Amundsen and his team reached home base on 25 January, the precise day he had planned. Running out of supplies, Scott and his team stalled in mid-March, exhausted and depressed. Eight months later, a British reconnaissance party found the frozen bodies of Scott and two teammates in a forlorn, snow-drifted little tent, just ten miles short of his supply depot. His whole team had perished.



Throughout the journey, Amundsen adhered to a regimen of consistent progress, never going too far in good weather, careful to stay away from the red line of exhaustion that could leave his team exposed, yet pressing ahead in nasty weather to stay on pace. Amundsen throttled back his well-tuned team to travel between 15 and 20 miles per day, in a relentless march to 90 degrees south. When a member of Amundsen's team suggested they could go faster, up to 25 miles a day, Amundsen said no. They needed to rest and sleep so as to continually replenish their energy. In contrast, Scott would sometimes drive his team to exhaustion on good days and then sit in his tent and complain about the weather on bad days. At one point Scott faced six days of gale force winds and travelled on none, whereas Amundsen faced 15 and travelled on eight.

Amundsen clocked in at the South Pole right on his pre-decided pace, having averaged 15.5 miles per day. Scott in contrast fell behind early, with no plan of a daily pace, and as the conditions worsened, enhanced by his lack of preparation for unforeseen events, he and his team never recovered.

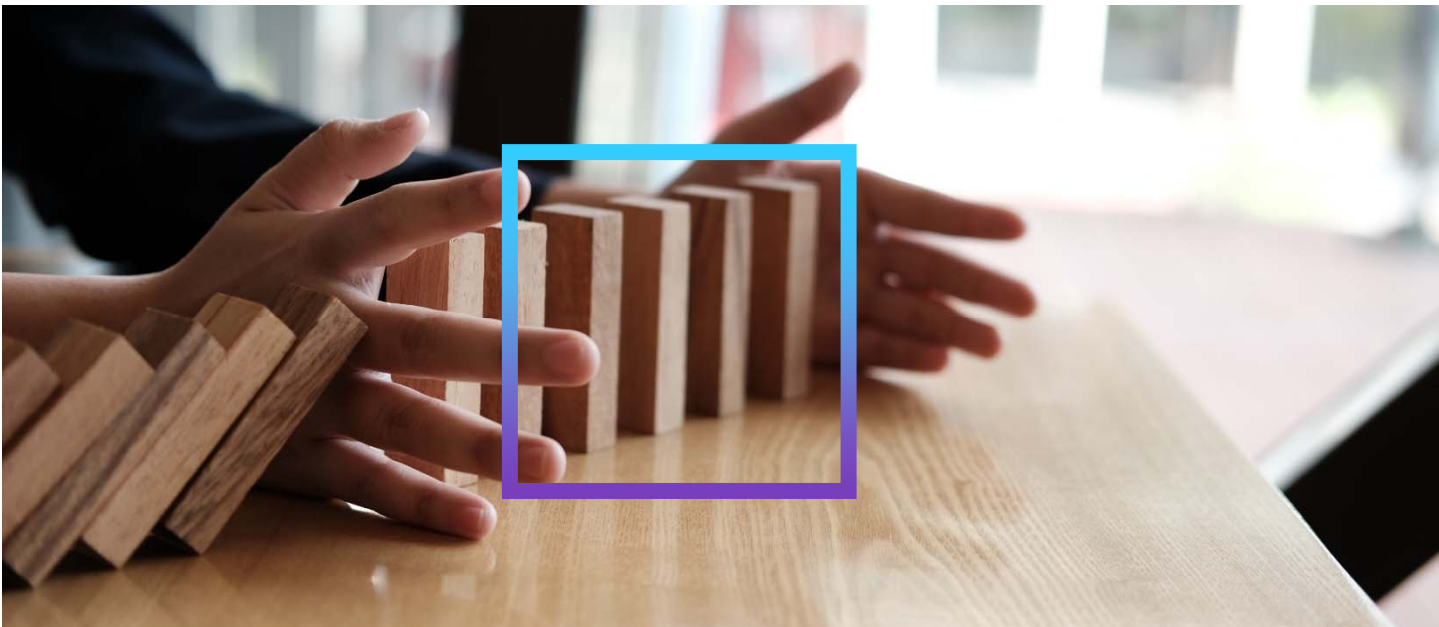
The important point was that they stuck to their 20 miles. In other words, you keep up the effort – 20 miles, 20 miles, 20 miles – and even when you cross into the plains and it's glorious springtime, and you feel you can go 40 or 50 miles in a day – you don't. Instead, you sustain your pace, marching 20 miles consistently.

## 20 Mile March is more than a philosophy

It's about having concrete, clear, intelligent, and rigorously pursued performance mechanisms that keep us on track. The 20 Mile March, just like Amundsen and his team, creates two types of self-imposed discomfort:

- the discomfort of unwavering commitment to high performance in difficult conditions
- the discomfort of holding back in good conditions.

To achieve consistent performance, we need both parts of the 20 Mile March, a lower boundary and an upper boundary – a hurdle that we jump over and a ceiling that we will not rise above, the ambition to achieve, and the self-control to hold back.





LISA MCCALLUM

Executive General Manager  
Platform Services

I have been in the industry for over 25 years and have never experienced a period of such fundamental change and uncertainty across the financial services sector, particularly within banking and wealth.

At times like these, it's really important to have a strategy, make changes as required to the implementation of that strategy and, above all, stay calm and focused in the midst of what we believe will be a transformative period.

As a business, we have been very fortunate to have developed a strategy right for the time. As a management team, we remain unified in our view that the managed account sector will continue its growth trajectory.

We also understand that fees without commensurate effort – such as the collection of shelf space fees – are unsustainable, and that the introduction of new initiatives such as the new payments platform and the ASX's blockchain will change the way we deliver platform services.

Because of this shared view, we committed to positioning ourselves in the best way possible to embrace the seismic changes afoot. We have been vocal in our desire to see greater transparency around platform fees and their composition, and we are supportive of the elimination of fees that distort reported revenue and margins across the platform sector.

Importantly, we are well-prepared to capitalise on the opportunities that are emerging out of this quickly evolving industry. Giving ourselves the best chance of emerging as one of the winners in this challenging market has not happened overnight; we systematically created this opportunity for ourselves, one step at a time, over the last three years.

The 20 Mile March is taken seriously at OneVue – and this year, the 20 Mile March philosophy has meant more to me than in any other year. This is because of the need to not lose sight amidst all the change and noise in the platform space of our South Pole.

Each year, we get closer to reaching our South Pole by delivering investors lower-cost access to professional funds management while growing our margins: a win for the end investor, a win for professional investment managers and a win for our shareholders.



## STEPHEN BLOOD

Executive General Manager  
Fiduciary Services

OneVue has successfully created a niche by being the first Trustee in Australia to genuinely understand and back the growth of managed accounts. Making this strategic decision has served us well and we continue to service some of the highest growth managed account providers in the market.

The industry is evolving however since the Royal Commission and both they and the Productivity Commission have shone a light on the conflict matters that can arise in vertically-integrated businesses.

That is not to say that these issues cannot be managed but it does start a conversation around how conflicts are best managed and whether outsourcing one or more of the services provided in an integrated model can bring greater discipline and objectivity to decision making.

As a result of these Management and Boardroom conversations, whilst we continue to focus on the fast growing managed account sector, a new opportunity for the Trustee business is emerging driven by the desire of vertically integrated superannuation providers to explore outsourcing the Trustee role to an independent third party.

My role as EGM of the Trustee business is to help navigate the business through these uncertain times and to position OneVue to capitalise on new opportunities as they emerge. Within Diversa Trustees and across the Group generally, we constantly face head winds and enjoy tail winds. It is at these times, both when the head winds are working to push us back and when the tail winds are thrusting us forward that I rely on the core philosophies of the 20 Mile March. The 20 Mile March helps me to push us onward in adverse conditions and to hold back when the tail winds are at their strongest. It helps me to lead and calibrate our efforts with the challenges and opportunities in equal measure.

As Australia's largest outsourced superannuation trustee by number of funds, Diversa Trustees operates in a highly regulated environment – an environment that's subject to ever-increasing client and community expectations.

Diversa Trustees has continued to enjoy solid growth and strong client and ongoing regulator engagement.

Diversa Trustees is mature in managing regulatory obligations. Leveraging that maturity across the OneVue Group, and applying it to all the types of risks faced is an ongoing part of our 20 Mile March. OneVue, of course, has always had a strong risk culture: people quickly put up their hand when they see something going wrong. My focus is continuing to drive the risk disciplines and further improve our risk management capabilities, capabilities which will help everyone to proactively identify, assess and manage any operational and compliance risks as they arise.

We have introduced some key tools this year to help us on this journey including mandatory online risk and compliance training for all staff. This has further improved everyone's knowledge and awareness across many important topics, including fraud, privacy, anti-money laundering and cyber risk. Advanced technology is also being deployed which is enabling an efficient and holistic approach to risk management through an integrated governance, risk and compliance system.

The 20 Mile March is taking the Group on a journey to enhanced risk management. This is so important – not just to OneVue, but to constantly improve our service for all our clients and standing shoulder to shoulder with our strategic business partners.





**RICHARD HARRIS-SMITH**

**Chief Executive Officer**  
Fund Services

The Fund Services business has experienced the fastest growth of all the OneVue businesses in 2018. The managed fund administration business is quite a challenging business to run and work within day to day but we absolutely love being part of a team that has become the largest and fastest growing managed fund administration business in Australia. We take a great deal of pride in our achievements, however, we are never complacent and the quality of our clients ensures that we are always striving to deliver a better service.

One of the biggest challenges facing a fast growing business however is ensuring that we never lose sight of what it means for the people within the business. We have teams, such as the transition team who know they will be fully occupied day in and day out for the next three years at least. Although this is great news for shareholders and the business alike constant growth of this nature is challenging for those that need to deliver to a consistently high standard over a long period of time. That is why my focus is on clients and our people. It is so important to support the people who work at OneVue and to do both the larger and smaller things to re-affirm how much they are valued. Often in businesses of this nature the back office has no visibility or the staff in the administrative or operations roles are not treated as equals within the business.

At OneVue everyone has an equal voice. Importantly for me my staff and I get a lot of support from my colleagues. Our clients – as you would expect in this industry – are demanding and continue to expect very high standards. These demands will grow, given the regulatory environment in which we find ourselves. We also operate in a high tempo environment, which is all about hitting our daily service level deliverables. This creates relentless pressure on our teams to hit all the SLAs in both quality and timeliness.

I am immensely proud of what our people achieve every single day and the attitude and commitment they display in all of their actions – whether it's answering a call, validating a trade or checking on a payment or distribution. Our people never sway: they stay true to the task and come in every day expecting to maintain these high standards on behalf of our clients and their clients. This epitomises the 20 Mile March in demonstrating a dogged determination and commitment to the task at hand regardless of the circumstances.

As a member of the OneVue management team, I remain inspired by our people and we try to never take this for granted. We will continue to recognise, support, reward and build on this attitude and commitment to our people to ensure that it endures into the future.

# DIRECTORS' REPORT



# DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to as 'OneVue') consisting of OneVue Holdings Limited (referred to as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

## Directors

The following persons were Directors of OneVue Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Ronald Dewhurst
- Stephen Knight
- Andrew Macpherson
- Connie Mckeage
- Garry Wayling
- Gail Pemberton (resigned on 23 November 2017).

## Principal activities

During the financial year the principal continuing activities of OneVue consisted of:

- managed fund administration and superannuation member administration
- full function platform administration including managed funds and managed accounts and administration services
- Superannuation Trustee Services for registered superannuation funds.

The business was enhanced during the year by the complementary acquisition of KPMG's Superannuation Administration Service which has expanded OneVue's comprehensive and quality offering of super member administration business services.

## Dividends

The Company has not recommended, declared or paid a dividend with respect to the year ended 30 June 2018 (2017: Nil).

## Review of financial results

YEAR ENDED 30 JUNE (\$'000)	2018	2017	CHANGE %
<b>Revenue</b>			
Services revenue	48,386	39,643	22%
Performance fee revenue	734	1,233	(40%)
<b>Total revenue</b>	<b>49,120</b>	<b>40,876</b>	<b>20%</b>
Other income	-	105	-
Operating expenses	(41,572)	(36,473)	(14%)
<b>EBITDA*</b>	<b>7,548</b>	<b>4,508</b>	<b>67%</b>
EBITDA margin %	15.4%	11.0%	40%
Depreciation and amortisation	(4,996)	(4,097)	(22%)
<b>EBIT</b>	<b>2,552</b>	<b>411</b>	<b>521%</b>
Interest	(1,038)	(640)	(62%)
Share based payments	(626)	(238)	(163%)
Net gain in respect of capital transactions	535	-	
Non-recurring expenses	(1,558)	(1,671)	7%
<b>Loss before tax</b>	<b>(135)</b>	<b>(2,138)</b>	<b>94%</b>
Tax	7,274	2,347	209%
<b>Profit after tax</b>	<b>7,139</b>	<b>209</b>	
Earnings per share (cents)	2.70	0.08	

### NOTE:

\* EBITDA represents earnings before interest, tax, depreciation and amortisation excluding non-recurring items and share based payments

## Financial results

Our record 2018 results are the result of the consistent execution of growth strategies. The strong increases in profitability, and margins are reflected in increased cash flows.

Revenue growth of 20% has translated into a significant profit uplift with positive and increasing margins of 15.4% (up 434 bps) and a net profit after tax for the year of \$7.1 million, a \$6.9 million improvement on the prior year. Earnings per share for the year of 2.70 cents was up 2.62 cents.

Total services revenues increased by \$8.8 million to \$48.4 million, an increase of 22% over the prior year. Strong organic growth of \$5m (15% uplift) and acquisitions contributing \$5.2 million (with \$2.1m from KPMG Superannuation Member Administration, \$0.4 million from No More Practice Education and \$2.7 million from Diversa (reflecting the extra quarter of contribution following its acquisition in October 2016)) were the main drivers of the growth. Divestments provided a revenue reduction of \$2 million (made up of performance fees \$0.5 million, the Investment Management business \$1.1 million and the SMSF Administration/RE businesses \$0.3 million). Revenues are underpinned by the quality of recurring revenue which represented 92% of total revenues.



Operating expenses increased by 14% representing acquisitions and growth related costs. EBITDA for the year was \$7.5 million, a \$3.0 million (67%) improvement on the prior year, demonstrating the benefits of scale, efficiencies and ongoing cost disciplines. EBITDA margins were up from 11% to 15.4%, with all businesses lifting margins.

The depreciation and amortisation expense of \$5.0 million (2017: \$4.1 million) was higher than the prior year reflecting mainly the impact of acquisitions.

Net gain in respect of capital transactions \$0.5 million reflects the gains on divestments offset by related disposal and restructure costs.

Non-recurring expenses of \$1.6 million (2017: \$1.7 million) were related to acquisition and restructure costs.

The tax benefit of \$7.3 million for the period relates primarily to the recognition of tax losses not previously recognised and reflects the move into profitability.

## Segment results

YEAR ENDED 30 JUNE (\$'000)	2018	2017	CHANGE %
<b>Segment revenue</b>			
Fund Services			
■ Managed fund administration	13,240	9,164	45%
■ Super member administration	10,230	8,123	27%
■ Disposed RE business	1,832	1,968	(7%)
	25,302	19,255	31%
Platform Services			
■ Core platform services	15,710	12,734	23%
■ Disposed SMSF and IM business	2,622	4,440	(41%)
	18,332	17,174	7%
Superannuation Trustee Services	6,710	5,598	20%
Corporate (including eliminations)	(1,224)	(1,151)	(6%)
<b>Total revenue</b>	<b>49,120</b>	<b>40,876</b>	<b>20%</b>
<b>Segment EBITDA</b>			
Fund Services	5,153	2,637	95%
Platform Services	4,042	3,726	8%
Superannuation Trustee Services	2,674	2,156	24%
Corporate (including eliminations)	(4,321)	(4,011)	(8%)
<b>EBITDA*</b>	<b>7,548</b>	<b>4,508</b>	<b>67%</b>

### NOTES:

\* EBITDA represents earnings before interest, tax, depreciation and amortisation excluding non-recurring items and share based payments

## Fund Services

Fund Services was the fastest growing business and largest driver of margin expansion. Revenue grew by \$6.0 million or 31% over the prior year. Growth from new and existing clients contributed revenue of \$2.9 million with growth from the KPMG Superannuation Member Administration acquisition of \$2.1 million. EBITDA of \$5.2 million was up by \$2.5 million from the prior year with margins increasing by 13.7% to 20.4%, demonstrating the benefits of operating leverage and automation.

Funds under administration (FUA) increased by \$15 billion to \$504 billion as at 30 June 2018.

Transactions processed in the managed fund administration business, were up by 64% over the prior year driven by fund transitions.

An additional 195 funds were transitioned during the period, taking the total number of funds administered to 805 funds. Also, 11 new fund managers were added during the year taking the total number of fund managers to 45, further cementing OneVue's position as the market leader.

Superannuation member administration now administers 38 funds, with over 145,000 members and FUA reached \$4.37 billion at 30 June 2018, an increase of \$2.42 billion (123% on the prior year) with growth mainly from the KPMG Superannuation Member Administration acquisition with 14 funds, 44,257 members and \$1.88 billion in FUA added on acquisition.

### Fund Services key measures

	2018	2017	CHANGE	CHANGE %
Managed fund administration FUA \$billion	503.9	489.1	14.8	3%
Managed fund administration transactions ('000)	354,565	216,311	138,254	64%
Super member administration FUA \$million	4,372	1,956	2,416	124%
Super member administration members ('000)	145,015	89,845	55,170	61%

## Platform Services

Structural disruption continues to drive record growth. Platform Services reached a record FUA of \$4.39 billion at 30 June 2018, up 9%, driven by gross inflows of \$1.6 billion for the year, up 33% and net inflows of \$859 million, up 119% on the prior year.

Revenue from the core platform (excluding divested businesses) was up 23% compared to the prior year. This included organic growth of \$2.6 million.

EBITDA of \$4.0 million was up 8% on the prior year and margins were up 35 bps to 22%.

OneVue was awarded Top 3 in full function platforms, winner of 'Most New Developments' (for the second year running), and winner of 'Product Offering' in Investment Trends, December 2017 Platform Competitive Analysis and Benchmarking Report.

## Platform Services FUA

FUA \$M	2018	2017	CHANGE \$M	CHANGE %
Retail FUA <sup>1</sup>	4,386	4,018	368	9%
Gross Inflows	1,618	1,216	402	33%
Net Inflows <sup>2, 3</sup>	859	392	467	119%

### NOTES:

<sup>1</sup> FUA was impacted by \$567 million exit of the SMSF Administration and IM businesses

<sup>2</sup> Net inflows exclude market movements.

<sup>3</sup> Net inflows in 2017 were impacted by the \$225 million transition out of one client in September 2016.

## Superannuation Trustee Services

Superannuation Trustee Services benefits from its exposure to the high growth managed account sector. Funds under trusteeship (FUT) increased to \$11.5 billion (up 22%) driven by growth in assets of existing clients.

Revenue of \$6.7 million was up 20% driven by increased FUT, and the additional quarter of contributions from Diversa following the acquisition in October 2016. EBITDA of \$2.7 million was up 24% with the EBITDA margin of 40% up by 134 bps reflecting scale and the benefits of synergies realised.

### Superannuation Trustee Services key measures

TOTAL FUT \$M	2018	2017	CHANGE \$M	CHANGE %
FUT	11,451	9,401	2,050	22%

## Corporate

Costs of \$4.3 million, which cover Director fees, costs of the listed entity (including audit, tax and insurance) and central corporate services provided to the operating divisions including HR, IT, Risk, Compliance, Finance and Marketing, were higher than the prior year due to business growth, and investment in governance resources.

## Financial position

AS AT 30 JUNE (\$'000)	2018	2017	CHANGE \$'000	CHANGE %
Cash and cash equivalents	19,404	26,645	(7,241)	(27%)
Other current assets	9,566	6,754	2,812	42%
Intangible assets	89,299	75,753	13,546	18%
Other non-current assets	5,950	746	5,204	-
Total assets	124,219	109,898	14,321	13%
Trade and other payables	14,400	11,452	(2,948)	(26%)
Contingent consideration	4,385	1,902	(2,483)	(131%)
Loans and borrowings	6,159	8,981	2,822	31%
Other current liabilities	2,757	2,094	(663)	(32%)
Non-current liabilities	3,953	728	(3,225)	(443%)
Total liabilities	31,654	25,157	(6,497)	(26%)
Total equity	92,565	84,741	7,824	9%

Cash and cash equivalents have decreased to \$19.4 million. The decrease was mainly due to capital deployed to acquisitions and associated acquisition and restructure costs and repayment of borrowings. The strong EBITDA performance was reflected in operating cash flow (after interest and working capital) of \$6.6 million, up 34%.

Intangible assets have increased principally due to the acquisition of KPMG Superannuation Member Administration and No More Practice Education increasing goodwill by \$11.2 million and customer relationships by \$6.5 million. OneVue's total capitalisation spend of \$4.8 million included; software development \$2m, client establishment costs of \$1.8 million, \$0.6 million of automation capital expenditure and \$0.4 million from prior year projects.

The \$2.8 million increase in other current assets was mainly due to the increase in trade debtors and associated with acquisitions and business growth.

Other non current asset relates to the deferred tax asset recognised in relation to prior year tax losses.

The increase in trade and other payables in the period was mainly due to the acquisitions and business growth.

The contingent consideration reflects the contingent payments that are expected to be made in the 2019 and 2020 financial years.

Borrowings of \$6.2 million relate to the Diversa business. \$2.8 million was repaid in the current year.

Total equity increased by the \$7.8 million net profit after tax for the year.



## Significant changes in the state of affairs

Late in 2017 OneVue announced that it would be sharpening its strategic focus to enhance growth in its core businesses. Since then OneVue has been executing on planned opportunities that deepen or broaden key areas of growth and divesting businesses that are deemed non-core.

The divestments started with the sale of the RE business which was completed in late March. This was followed by the sale of the SMSF administration business. The Investment Management's external business transitioned and closed in March 2019. Finally, OneVue sold its 20% shareholding in WealthPortal, the Madison white label.

In April 2018 OneVue completed two acquisitions. The acquisition of the KPMG Superannuation Member Administration business deepens and broadens its superannuation capabilities and doubles the funds under administration. The recently acquired KPMG Superannuation Member Administration business doubles OneVue's FUA, taking the number of members administered to over 135,000, and making OneVue the 4th largest provider in the market. The acquisition of No More Practice Education, an online video learning platform provides a strong contemporary distribution platform.

SUMMARY OF ACQUISITIONS AND DIVESTMENTS:	COMPLETION DATE
<b>DIVESTMENTS</b>	
Sale of RE business	29 March 2018
Sale of SMSF Administration business	26 March 2018
Sale of WealthPortal investment	10 April 2018
Closure of external investment management business	1 March 2018
<b>ACQUISITIONS</b>	
KPMG Superannuation Administration service	13 April 2018
No More Practice Education	16 April 2018

## Matters subsequent to the end of the financial year

No matters or circumstances have arisen since 30 June 2018 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Future developments, prospects and business strategies

OneVue delivered record results in 2018 as a result of its execution of growth strategies. During the year OneVue sharpened its strategic focus with strategic capital redeployed following two acquisitions and four divestments to enhance scale, operating leverage and capabilities.

OneVue is strategically well placed to drive further organic growth, supported by large and expanding market opportunities, industry tailwinds and ongoing structural disruption.

## Environmental regulation

OneVue is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Information on Directors

The following information is current as at the date of this report.

NAME	RONALD DEWHURST
TITLE	Non-Executive Director and Chair
QUALIFICATIONS	Fellow, Finsia
EXPERIENCE AND EXPERTISE	Ron has held senior leadership roles in the investment banking and asset management industries over a 40 year career. Ron brings his extensive experience in M&A and global wealth management in public companies to the Board.
OTHER CURRENT DIRECTORSHIPS	Non-Executive Director of Sprott Inc and LGIAsuper, Chair of Rhinomed Ltd and Unscript'd Limited
FORMER DIRECTORSHIPS (LAST 3 YEARS)	None
BOARD RESPONSIBILITIES	Member of the Human Resources, Nomination and Remuneration Committee (HRNRC)

NAME	STEPHEN KNIGHT
TITLE	Non-Executive Director
QUALIFICATIONS	BA, FAICD
EXPERIENCE AND EXPERTISE	Stephen has more than 30 years of senior executive experience in the financial services industry with a particular focus on the investment management, capital markets and government sectors. Stephen's deep understanding of finance and audit along with his extensive experience in the wealth and superannuation industry makes him a valuable addition to the Board.
OTHER CURRENT DIRECTORSHIPS	Director of the Sydney Financial Forum and FIIG Securities Ltd, Member of the Primary Ethics Investment Committee and the Australian Office of Financial Management Audit and Risk Committee.
FORMER DIRECTORSHIPS (LAST 3 YEARS)	None
BOARD RESPONSIBILITIES	Member of the HRNRC and Audit Risk Management and Compliance Committee (ARMCC)

NAME	ANDREW MACPHERSON
TITLE	Non-Executive Director
QUALIFICATIONS	BE (Hons), MAICD
EXPERIENCE AND EXPERTISE	Andrew has 30 years' experience in financial and management consulting, specialising in technology strategy and implementation. He was previously a Regional Managing Director for Accenture until his retirement in 2005. Andrew brings to the Board deep expertise in technology implementations and outsourcing contracts in financial services.
OTHER CURRENT DIRECTORSHIPS	Chair of SIRCA Limited and Work Ventures Ltd, Non-Executive Director of ARQ Group Limited and Ruralco Holdings
FORMER DIRECTORSHIPS (LAST 3 YEARS)	None
BOARD RESPONSIBILITIES	Chair of the HRNRC and Member of the ARMCC

NAME	CONNIE MCKEAGE
TITLE	Managing Director
QUALIFICATIONS	Dip Arts & Sci
EXPERIENCE AND EXPERTISE	Connie has more than 30 years of experience in asset management, broking, consulting and business leadership roles. With her deep understanding of the wealth and superannuation industry, Connie brings her expertise in outsourcing management, M&A and technology implementations to the Board.
OTHER CURRENT DIRECTORSHIPS	Non-Executive Director of OneVentures Pty Ltd and Aikenhead Centre for Medical Discovery
FORMER DIRECTORSHIPS (LAST 3 YEARS)	None
BOARD RESPONSIBILITIES	

NAME	GARRY WAYLING
TITLE	Non-Executive Director
QUALIFICATIONS	BCom, GAICD, ACA
EXPERIENCE AND EXPERTISE	Garry has more than 40 years of accounting and business leadership experience in a professional services career, primarily in external audit and advisory roles with Arthur Andersen and then Ernst and Young (EY) in the Strategic Growth Markets Group where he was the EY Oceania Markets IPO leader. He brings to the Board extensive expertise in accounting and financial reporting along with his valuable experience in advising listed growth companies.
OTHER CURRENT DIRECTORSHIPS	Non-Executive Director Inabox Group Limited
FORMER DIRECTORSHIPS (LAST 3 YEARS)	None
BOARD RESPONSIBILITIES	Chair of the ARMCC

Former directorships above are for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

## Company Secretary

Ashley Fenton is an Fellow of the Institute of Chartered Accountants in Australia (FCA) and has held senior finance positions with ASX listed companies (including Salmat Limited, Fairfax Media Limited and Cable and Wireless Optus Limited) and has also been a Company Secretary of ASX listed entities.

## Meeting of Directors

The number of meetings of the company's Board of Directors (the Board) and each Board committee held during the year ended 30 June 2018 and the Directors' attendance of such meetings are set out below.

	FULL BOARD		HRNRC		ARMCCC	
Current Director	Attended	Held*	Attended	Held*	Attended	Held*
Ronald Dewhurst	5	5	3	3	2	2
Stephen Knight	5	5	2	2	3	3
Andrew Macpherson	5	5	3	3	2	3
Garry Wayling	5	5	-	-	5	5
Connie Mckeage	5	5	-	-	-	-
Former Director	Attended	Held*	Attended	Held*	Attended	Held*
Gail Pemberton	2	2	1	1	1	2

**NOTE:**

\* Represents the number of meetings held during the time the Director held office or was a member of the relevant committee.



# HRNRC CHAIR'S LETTER

Dear Shareholder

On behalf of the Board of OneVue Holdings, I am pleased to present the 2018 Remuneration Report.

## 2018 remuneration

Onevue has continued to perform very strongly in 2018, increasing our profitability and growing funds under administration with many key clients added. Our Key Management Personnel (KMP) have performed strongly and delivered these excellent results. In the Remuneration Report we look in more detail at the remuneration received by the KMPs in 2018.

## 2019 outlook

It is critical that our approach to remuneration evolves with the business, remains current and competitive, and continues to align with shareholder interests.

We continue to aim to achieve the following objectives with our remuneration philosophy, framework and approach:

- a competitive remuneration scheme that attracts, rewards and retains required talent
- alignment of leadership and management incentives with shareholder interests, to create value and wealth
- ensuring objectivity, transparency and simplicity in our remuneration instruments.

At the 2018 Annual General Meeting we will be providing more details on the enhancements we plan to make to our remuneration scheme.

We thank our shareholders for their support throughout the year.



**Andrew Macpherson**

HRNRC Chair

# REMUNERATION REPORT – AUDITED

## KMP information

This audited Remuneration Report has been prepared in accordance with the requirements of s 300A of the *Corporations Act 2001 (Cth)*. It outlines the remuneration arrangements in place during 2018 and the outcomes achieved for OneVue's KMP during that period.

OneVue's KMP are those people who have a meaningful capacity to shape and influence the group's strategic direction and performance through their actions, either collectively (in the case of the Board) or as individuals acting under delegated authorities (in the case of the MD and her direct reports).

The names and positions of the individuals who were KMP during 2018 are set out in the table below.

### KMP – NON EXECUTIVES

KMP – Non-Executive Directors		Commencement
Ronald Dewhurst <sup>1</sup>	Chair	6 October 2016
Andrew Macpherson <sup>2</sup>	Chair, Human Resource Nomination and Remuneration Committee (HRNRC)	6 October 2016
Garry Wayling	Chair, Audit Risk Management and Compliance Committee (ARMCC)	7 February 2014
Stephen Knight	Member of HRNRC and ARMCC	26 August 2016
KMP – Former Non-Executive Director		
Gail Pemberton <sup>3</sup>	Chair	January 2007 to November 2017

### KMP – EXECUTIVES

KMP – Executive Director		Commencement
Connie Mckeage	Managing Director (Chief Executive Officer)	January 2007
KMP – Executives		
Ashley Fenton	CFO, COO and Company Secretary	29 April 2015
Richard Harris-Smith	Chief Executive Officer of Fund Services	1 February 2016
Lisa McCallum	Executive General Manager, Platform Services	9 April 2010
James Thorpe	Chief Technology Officer	21 May 2007

### NOTES:

<sup>1</sup> Ronald Dewhurst appointed as Chair on 23 November 2017

<sup>2</sup> Andrew Macpherson appointed as Chair of the HRNRC on 12 December 2017, taking over from Ronald Dewhurst

<sup>3</sup> Gail Pemberton retired as Chair on 23 November 2017.

## Shareholder returns – five-year performance summary

In considering OneVue's performance the Board has regard to the following with respect to the current year and previous financial years:

YEAR ENDED	2018	2017	2016	2015	2014
Revenues (\$'000)	49,120	40,876	26,636	25,402	13,202
EBITDA <sup>1</sup> (\$'000)	7,548	4,508	(1,216)	704	(2,082)
Share price at 30 June (cents)	0.80	0.60	0.61	0.39	0.32 <sup>2</sup>
Basic earnings per share (cents)	2.70	0.08	(2.21)	(0.13)	(5.29) <sup>2</sup>

### NOTES:

<sup>1</sup> EBITDA represents earnings before interest, tax, depreciation and amortisation excluding non-recurring items and share based payments.

<sup>2</sup> Data is correct as at IPO date 25 July 2014.

# EXECUTIVE KMP REMUNERATION

## Remuneration and incentive principles

OneVue's remuneration strategy is designed to attract, motivate and retain employees by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Company.

To this end, key objectives of the Company's reward framework are to ensure that its remuneration practices:

- are aligned to the long-term success of the Company and the Company's business strategy and shareholder interests
- offer market competitive total remuneration packages designed to reward outperformance
- provide strong alignment between individual and Company performance.

## 2018 remuneration framework

OneVue aims to reward executives with a level and mix of remuneration that is aligned with the long-term success of the company and commensurate with their position and responsibilities.

In the 2018 financial year, the executive remuneration framework consisted of the following components:

- fixed salary
- short-term incentive (STI)
- long-term incentive (LTI).

Key elements of the remuneration structure are:

- remuneration and other terms of employment are formalised in employment contracts
- senior fixed remuneration levels are in line with relevant market benchmarks
- no termination benefits are payable under employment contracts
- fixed remuneration may be received in the form of base salary, superannuation and non-monetary benefits
- a proportion of remuneration consists of longer-term incentives, which are at risk.

### Fixed remuneration

The level of fixed remuneration for the Managing Director and the KMPs is reviewed annually by the HRNRC taking into account the overall performance of OneVue, individual performances and comparable market remuneration trends and, where appropriate, external advice on policies and practices.

### Variable remuneration

The Company's Senior Executive remuneration strategy for the 2018 financial year included both short-term incentive (STI) and long-term incentive (LTI) plans. The objective of the incentive plans is to focus executives on achieving individual and business goals that contribute to sustained shareholder value and in the case of the LTI are linked to long-term financial performance and shareholder returns.

Achievement of any STI and LTI awards is linked to the financial and business performance of OneVue relative to plans and budgets as determined by the Board, and all awards are discretionary.



## Outcomes

### STI awards

No STI awards were made in the 2017 or the 2018 financial year.

### LTI awards

No LTI awards were issued in the 2017 financial year.

In the 2018 financial year:

- 861,275 unlisted (not listed on the ASX) and vested Rights were issued to KMPs on 30 August 2017 pursuant to the Company's LTI and Rights Plan (Plan) approved by the shareholders at the 5 November 2015 AGM. These Rights were issued in recognition of historical performance achieved by the KMP in the 2016 and 2017 financial years. These Rights expire on 30 August 2022, and are exercisable at \$0.00.
- On 12 September 2017, 861,275 OneVue Holdings Limited Fully Paid Ordinary Shares were issued on the exercise of the Rights that were issued on 30 August 2017.
- 316,035 unlisted and vested Restricted Rights were issued to Connie Mckeage, Managing Director, on 30 August 2017 pursuant to the approved Plan. These Rights expire on 30 August 2022 and are exercisable at \$0.00. This award is in relation to a salary sacrifice arrangement and was granted by shareholders at the AGM on 24 November 2016.
- 284,865 unlisted and unvested Performance Rights were issued to Connie Mckeage, Managing Director, on 30 August 2017 pursuant to the approved Plan. These Rights expire on 30 August 2022 and are exercisable at \$0.00. This award is in relation to a long-term incentive, with vesting subject to the achievement of performance relative to the vesting condition of an indexed Total Shareholder Return (TSR) of the Company versus the All Ordinaries Accumulation Index (AOAI) over the 3 year measurement period. This award was granted by shareholders at the AGM on 24 November 2016.
- In addition, at the 2017 AGM held on 23 November 2017, shareholders approved the award of 357,846 Restricted Rights (in lieu of a salary sacrifice arrangement) and 322,554 Performance Rights (subject to a 3 year measurement period and vesting conditions) to Connie Mckeage, Managing Director, for the 2018 financial year pursuant to the approved Plan. These Restricted and Performance Rights were not issued in the 2018 financial year as Connie Mckeage elected to forfeit these rights in favour of a cash-based salary payment of \$24,000 and a cash bonus of \$25,000 respectively.

### Performance Rights vesting conditions and measurement period

The 284,865 Performance Rights are subject to a 3 year measurement period and one of the vesting conditions is that the Company's TSR needs to exceed the growth of the ASX All Ordinaries Accumulation Index (AOAI) over the measurement period:

PERFORMANCE LEVEL	OVH TSR VERSUS AOAI GROWTH	VESTING RATIO
Below threshold	Less than AOAI	0%
Threshold	100% of AOAI	50%
From Threshold to Target	Above 100% and less than 150% of AOAI	Pro rata
Target	150% of AOAI	100%

The vesting date for the Performance Rights issued to Connie Mckeage is 3 years from the first day of 2017 financial year to the last day of 2019 financial year upon satisfying vesting/performance conditions.

Connie Mckeage is the only KMP holding Rights (Options) as at 30 June 2018 and 30 June 2017.

## Details of rights outstanding at year end

HOLDER	SECURITY TYPE	GRANT DATE	EXERCISABLE AT 30 JUNE 2018 %	EXPIRY DATE	30 JUNE 2018 OUTSTANDING RIGHTS	EXERCISE PRICE \$	ISSUED DATE FAIR VALUE \$
Connie Mckeage	Performance rights	24 Nov 2016	Nil	30 Aug 2022	284,865	\$0.00	0.22
Connie Mckeage	Restricted rights	24 Nov 2016	100%	30 Aug 2022	316,035	\$0.00	0.69
					600,900		

The terms and conditions of each grant of Rights affecting remuneration of KMP (excluding Connie Mckeage) in the current or a future reporting period are as follows:

GRANT DATE	EXPIRY DATE	VALUE PER RIGHT AT GRANT DATE	PERFORMANCE ACHIEVED	% VESTED	OPENING BALANCE	ISSUED DURING THE YEAR	EXERCISED DURING THE YEAR	CLOSING BALANCE
30 Aug 2017	30 Aug 2022	0.59	Yes	100%	-	861,275	(861,275)	-

## Rights over Ordinary Shares

The number of Rights over Fully Paid Ordinary Shares in the Company held during FY18 by each Executive Director and other Members of KMP of the Group, including their personally related parties is set out below. Non-Executive Directors are not eligible to participate in the approved Plan and be issued with Rights.

	OPENING BALANCE	RECEIVED AS PART OF REMUNERATION	ADDITIONS	DISPOSALS/ EXERCISED/ OTHER	CLOSING BALANCE
<b>RIGHTS OVER ORDINARY SHARES</b>					
<b>RESTRICTED RIGHTS</b>					
Connie Mckeage	316,035	-	-	-	316,035
<b>PERFORMANCE RIGHTS</b>					
Connie Mckeage	284,865	-	-	-	284,865
<b>RIGHTS</b>					
Ashley Fenton	-	400,000	-	(400,000)	-
Richard Harris-Smith	-	250,000	-	(250,000)	-
Lisa McCallum	-	106,659	-	(106,659)	-
James Thorpe	-	104,616	-	(104,616)	-
TOTAL	600,900	861,275	-	(861,275)	600,900

## Executive KMP remuneration

Details of the nature and amount of each element of the total remuneration of each member of the KMP for the years ended 30 June 2018 and 2017 are set out in the following tables.

KMP	FY	SHORT-TERM BENEFITS		POST EMPLOY BENEFITS	LONG-TERM BENEFITS		SHARE BASED PAYMENTS		OTHER	
		Salary and fees <sup>1</sup>	Other <sup>2</sup>	Super contrib.	Long service leave <sup>3</sup>	Other <sup>4</sup>	Amort exp. <sup>5</sup>	Termination Pay	Total	Performance related <sup>6</sup>
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
Connie Mckeage	2018	164,852	7,094	22,104	6,964	22,831	20,468	-	244,313	18
	2017	178,329	16,873	17,052	7,580	-	238,467	-	458,301	52
Ashley Fenton	2018	289,118	-	25,000	7,095	-	238,000	-	559,213	43
	2017	250,198	-	19,616	1,349	-	-	-	271,163	-
Richard Harris-Smith	2018	237,883	-	24,440	5,214	-	148,750	-	416,287	36
	2017	242,242	-	19,616	431	-	-	-	262,289	-
Lisa McCallum	2018	217,762	7,095	23,660	4,330	-	63,462	-	316,309	20
	2017	216,452	16,873	21,126	7,499	-	-	-	261,950	-
James Thorpe	2018	229,981	-	23,660	3,625	-	62,247	-	319,513	19
	2017	227,795	-	19,993	9,757	-	-	-	257,545	-
Total	2018	1,139,596	14,189	118,863	27,228	22,831	532,927	-	1,855,635	30
	2017	1,115,016	33,746	97,402	26,617	-	238,467	-	1,511,248	16

### NOTES:

<sup>1</sup> KMP salary and fees includes fixed remuneration and movement in annual leave entitlement

<sup>2</sup> Includes the cost to the business of any non-cash business benefits provided.

<sup>3</sup> Comprises long-service leave accrued during the year.

<sup>4</sup> Represents cash bonus paid for the 2018 financial year.

<sup>5</sup> Relates to the amortisation booked during the year for Restricted Rights and Performance Rights.

Calculated as STI plus amortisation of Restricted Rights and Performance Rights, as a proportion of total remuneration. These two elements represent the at-risk and discretionary amounts payable which will vary depending on the financial performance of the company. These amounts are in addition to the fixed remuneration.

## Shareholding

The number of shares in the Company held during the financial year by the Executives is set out below.

EXECUTIVE	OPENING BALANCE	RECEIVED AS PART OF REMUNERATION	ADDITIONS	DISPOSALS/ OTHER	CLOSING BALANCE
ORDINARY SHARES					
Connie Mckeage <sup>1</sup>	36,823,279	-	-	(733,286)	36,089,993
Ashley Fenton	76,900	-	400,000	(76,900)	400,000
Richard Harris-Smith	64,500	-	250,000	(64,500)	250,000
Lisa McCallum	2,448,679	-	106,659	-	2,555,338
James Thorpe	2,217,925	-	104,616	(15,000)	2,307,541
<b>TOTAL</b>	<b>41,631,283</b>	<b>-</b>	<b>861,275</b>	<b>(889,686)</b>	<b>41,602,872</b>

### NOTES:

<sup>1</sup> Connie Mckeage directly holds 876,728 ordinary shares, indirectly holds 1,442,028 ordinary shares and 33,771,237 ordinary shares are held by related parties.

## Executive KMPs service agreements

- All executive contracts may be terminated by either party with agreed notice periods
- OneVue may terminate the employment contract without notice in the event of serious misconduct, neglect of duty or dishonesty on the part of executive
- KMP have no entitlement to termination payments in the event of removal for misconduct
- Executive contracts of employment do not include any guaranteed base pay increases, and
- Executives may receive their fixed remuneration in the form of cash, superannuation contributions or fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to OneVue and provides additional value to the executives.

The major provisions of the employment contracts relating to remuneration are set out below. Salaries are for the financial year ended 30 June 2018 and are subject to review annually by the HRNRC.

NAME	TITLE	TERM AS KMP	TERM OF AGREEMENT	DETAIL \$
<b>KMP – Executive Director</b>				
Connie Mckeage	Managing Director	Full financial year	Ongoing, 6 months' notice	Annual base salary \$199,000 (incl. superannuation)
<b>KMP - Executives</b>				
Ashley Fenton	CFO, COO and Company Secretary	Full financial year	Ongoing, 6 months' notice	Annual base salary \$332,500 (incl. superannuation)
Richard Harris-Smith	Chief Executive Officer, Fund Services	Full financial year	Ongoing, 3 months' notice	Annual base salary \$280,000 (incl. superannuation)
Lisa McCallum	Executive General Manager, Platform Services	Full financial year	Ongoing, 3 months' notice	Annual base salary \$247,000 (incl. superannuation).
James Thorpe	Chief Technology Officer	Full financial year	Ongoing, 3 months' notice	Annual base salary \$242,000 (incl. superannuation)



## What is the remuneration scheme outlook for 2019

Recruiting and retaining talent is a key challenge for all companies in order to drive growth in a highly-competitive environment. We need a contemporary employee value proposition, a key part of which is a compelling model for remuneration and reward. In 2019 financial year (FY19), we are enhancing our remuneration framework by:

- increasing the proportion of at-risk remuneration in executive compensation and introducing a greater degree of equity based compensation in at-risk remuneration
- increasing the group of eligible scheme participants across the business who can receive at-risk remuneration
- making the incentive remuneration component a structural feature for participants, rather than discretionary.

The below diagram illustrates the existing remuneration scheme, alongside the revised scheme that is being proposed for FY19.

CURRENT REMUNERATION STRUCTURE (KMP ONLY)		PROPOSED REMUNERATION STRUCTURE (KMP AND OVH KEY LEADERS)	
LTI	<ul style="list-style-type: none"> <li>■ Discretionary grant</li> <li>■ Equity rights</li> <li>■ Discretionary vesting</li> </ul>	MTI	<ul style="list-style-type: none"> <li>■ Annual grant</li> <li>■ Equity rights</li> <li>■ Vesting years 2,3,4</li> <li>■ EPS</li> </ul>
STI	<ul style="list-style-type: none"> <li>■ Discretionary cash</li> </ul>	STI	<ul style="list-style-type: none"> <li>■ Annual cash</li> <li>■ KPI metrics</li> </ul>
FIXED REMUNERATION	<ul style="list-style-type: none"> <li>■ Base cash</li> <li>■ Superannuation</li> <li>■ Other fixed benefits</li> </ul>	FIXED REMUNERATION	<ul style="list-style-type: none"> <li>■ Base cash</li> <li>■ Superannuation</li> <li>■ Other fixed benefits</li> </ul>

The key changes to the remuneration scheme in 2019 are noted as follows:

### Participants

The current scheme applies to the executive KMP group only. From FY19, participation will be extended to KMPs and their direct reports, the OneVue key leaders.

### Combined variable reward

The revised incentive remuneration scheme has been designed to provide annual incentive opportunities to participants. The incentive rewards consist of a mix of cash and deferred equity (all rewards are set in proportion to the participants Total Fixed Remuneration (TFR)). The ratio of cash to equity varies by executive level, reflecting differing financial circumstances. Indicatively the ratio of cash to equity varies between 33% to 50%.

### Medium-term incentive

We will be replacing the LTI component of the current remuneration scheme with a medium-term incentive (MTI) component which is based on deferred equity. Equity grants will occur annually, based on KPI achievement, and vesting will occur at the end of years 2, 3 and 4. The vesting criteria will be earnings per share (EPS), and a service condition applies at each vesting date. The EPS targets will be set at the time of each award for the 3 related annual vesting points. In addition, there will be a clawback condition for a period of 12 months after each vesting date, which will allow the Board to take a longer term view of the performance of each equity award, and apply malus if needed.

## STI

For FY19, the STI payment will be in cash, paid at the end of the calendar year, and subject to achievement of KPIs and gateways.

We believe that these enhancements are appropriate in order to better align the interests of our shareholders and management. We also see them as being important factors in helping us to attract and retain key talent in these competitive times.

# NON-EXECUTIVE DIRECTORS' REMUNERATION

## Remuneration principles

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of fixed remuneration comprising Board and Committee fees (where applicable) is established for individual Directors by resolution of the full Board, within the aggregate limit set by shareholders. The aggregate Non-Executive Directors' remuneration for the Company approved by shareholders at the 2016 AGM is an aggregate remuneration limit of \$600,000.

There are no retirement schemes or retirement benefits other than the statutory benefits that apply for Non-Executive Directors.

Each Director is paid a fee as a member of the Board and an additional amount as a Chair of the Board or of a committee. An additional fee is paid to a member (other than a Chair) who is a member of two committees. Directors are entitled to be reimbursed for reasonable travel, accommodation and other expenses incurred in execution of their duties as directors.

The following base fees, including superannuation, apply for the Non-Executive Directors:

ANNUAL FEES APPLICABLE (INCLUSIVE OF ANY APPLICABLE SUPERANNUATION)	2018 \$	2017 \$
ONEVUE HOLDING LIMITED BOARD		
Chair	125,000	100,000
Director and Committee Chair	85,000	60,000
Director and member of second committee	82,000	57,000
Director	75,000	50,000

## Non-Executive Director remuneration

The remuneration of Non-Executive Directors for the financial years ended 30 June 2018 and 30 June 2017 are set out below.

Directors	Financial year	SHORT-TERM BENEFITS	POST EMPLOYMENT BENEFITS	TOTAL
		Salary and fees (\$)	Post employment benefits (\$)	
Ronald Dewhurst Chair <sup>1</sup>	2018	99,777	9,876	109,653
	2017	40,323	3,831	44,154
Stephen Knight	2018	82,055	8,446	90,501
	2017	47,280	4,492	51,772
Andrew Macpherson	2018	76,393	7,879	84,272
	2017	38,307	3,639	41,946
Gail Pemberton <sup>2</sup>	2018	47,565	6,688	54,253
	2017	91,324	8,676	100,000
Garry Wayling <sup>3</sup>	2018	121,736	12,998	134,734
	2017	89,193	8,473	97,667
Total	2018	427,525	45,887	473,412
	2017	306,428	29,111	335,539

### NOTES:

<sup>1</sup> Appointed Chair 23 November 2017

<sup>2</sup> Retired 23 November 2017

<sup>3</sup> Includes fees for subsidiary boards.

## Minimum shareholding requirements

In September 2018, the Board approved a policy requiring all Non-Executive Directors to hold a minimum shareholding in the Company to the value (being acquisition cost not market value) of their annual fixed remuneration. This requirement needs to be met by December 2021 for all existing Directors, and within 3 years of their appointment date for new Directors.



## Shareholding

The number of shares in the Company held during the financial year by the Non-Executive Directors is set out below.

	1 JULY 2017 BALANCE	RECEIVED AS PART OF REMUNERATION	ADDITIONS	DISPOSALS/ OTHER	YEAR END BALANCE
<b>ORDINARY SHARES</b>					
<b>CURRENT NON-EXECUTIVE DIRECTORS</b>					
Ronald Dewhurst	900,000	-	-	-	900,000
Stephen Knight	200,000	-	-	-	200,000
Andrew Macpherson	155,000	-	-	-	155,000
Garry Wayling	292,737	-	11,290	-	304,027
<b>TOTAL</b>	<b>1,547,737</b>		<b>11,290</b>		<b>1,559,027</b>
<b>FORMER NON-EXECUTIVE DIRECTOR</b>					
Gail Pemberton*	2,278,714	-	-	(2,278,714)	-
<b>TOTAL</b>	<b>2,278,714</b>	<b>-</b>	<b>-</b>	<b>(2,278,714)</b>	<b>-</b>

### NOTE:

\* Where an employee resigned during the financial year their shareholding at that time is disclosed as a disposal of shares.

## Human Resources, Nominations and Remuneration Committee

The Board has established a Human Resources, Nominations and Remuneration Committee (HRNRC). The committee is responsible for making recommendations to the Board on remuneration policy and reward structures, Board and committee composition, succession and diversity strategy. The committee is also responsible for ensuring that management has an appropriate Human Resources policy framework in place including recruitment, retention, performance measurement and termination policies.

The HRNRC assesses the appropriateness of the composition and quantum of remuneration for the Managing Director and Non-Executive Directors by reference to relevant employment market conditions, with the overall objective of attracting and retaining Directors who will create value for shareholders. In determining the level and composition of executive remuneration, the HRNRC committee may engage external consultants to provide independent advice.

The members of the HRNRC at 30 June 2018 are Andrew Macpherson (Chair), Ronald Dewhurst and Stephen Knight. The HRNRC Chair and its membership are reviewed annually by the Board.

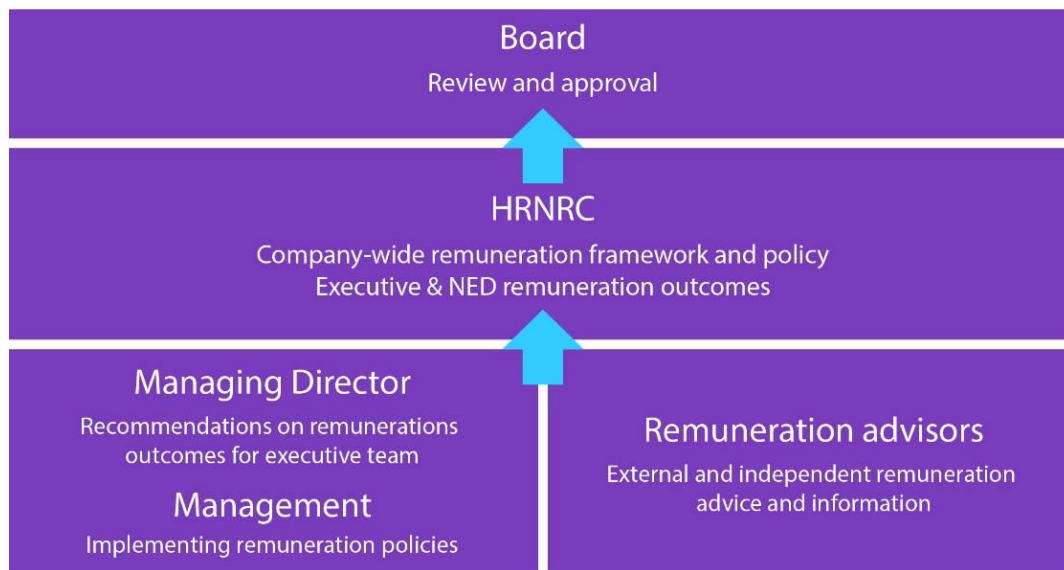
The Board approves the remuneration arrangements of the Managing Director as recommended by the HRNRC. The HRNRC reviews the recommendations of the Managing Director in regards to the remuneration arrangements of the direct reports to the Managing Director including awards made under incentive plans and makes recommendations to the Board for approval of these arrangements. In the 2015 financial year, the remuneration framework was amended to include a LTI component with the aim of driving greater balance and alignment between staff performance and the short and medium to long-term goals and performance of the business.

The Board also sets the aggregate remuneration of Non-Executive Directors, which is then subject to shareholder approval. The HRNRC reviews fees paid to Non-Executive Directors annually by reference to fees paid to Directors of companies of similar scale and in a similar sector.

In accordance with best practice corporate governance the structure of Non-Executive Director and other KMP remuneration is separate and distinct.

### Remuneration decision making

The following diagram represents the group's remuneration decision making framework.



### Use of remuneration consultants

The HRNRC may from time to time receive advice from independent remuneration consultants to ensure executive remuneration is appropriate and in line with market. ISS Corporate Solutions was engaged during the financial year ended 30 June 2018 to provide information and analytics tools regarding executive remuneration including the composition of short-term and long-term incentives, and salary benchmarking.

A set of protocols was in place to ensure that the remuneration recommendations would be free from undue influence from KMP. The Board is satisfied that these protocols were followed and as such there was no undue influence.

### Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any, related entity.

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001 (Cth)* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 28 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001 (Cth)*.

The Directors are of the opinion that the services as disclosed in Note 12 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001 (Cth)* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

## Corporate governance

The Company's Corporate Governance Statement is available at [onevue.com.au/web/onevue/corporate-governance](http://onevue.com.au/web/onevue/corporate-governance).

## Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.



# AUDITOR'S INDEPENDENCE DECLARATION



The Board of Directors  
OneVue Holdings Limited  
Level 5, 10 Spring St  
Sydney NSW 2000

27 September 2018

Dear Board Members

**OneVue Holdings Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of OneVue Holdings Limited.

As lead audit partner for the audit of the financial statements of OneVue Holdings Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Frances Borg  
Partner  
Chartered Accountant



# FINANCIAL STATEMENTS



# FINANCIAL STATEMENTS

## Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2018

	NOTE	2018 \$'000	2017 \$'000
<b>REVENUE</b>	<b>1</b>		
Services revenue		48,386	39,643
Performance fee revenue		734	1,233
<b>Total revenue</b>		<b>49,120</b>	<b>40,876</b>
Other income	2	159	105
Net gain in respect of capital transactions	19	535	-
<b>EXPENSES</b>			
Employee benefits expense		27,015	24,003
Administration expenses		6,271	5,502
Service fees and other direct costs		6,693	5,121
Depreciation and amortisation expense		4,996	4,097
Occupancy costs		2,354	2,316
Interest expense		1,089	745
Other expenses		1,531	1,335
<b>Total expenses</b>		<b>49,949</b>	<b>43,119</b>
<b>Loss before income tax</b>		<b>(135)</b>	<b>(2,138)</b>
Income tax benefit	4	7,274	2,347
<b>Profit after income tax</b>		<b>7,139</b>	<b>209</b>
<b>Other comprehensive income net of tax</b>			<b>-</b>
<b>Total comprehensive income for the year attributable to the owners of OneVue Holdings Limited</b>		<b>7,139</b>	<b>209</b>

## Consolidated statement of financial position

As at 30 June 2018

	NOTE	2018 \$'000	2017 \$'000
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	5(a)	19,404	26,645
Trade and other receivables	5(b)	7,269	4,757
Financial assets	7	1,227	1,091
Prepayments		1,070	906
<b>Total current assets</b>		<b>28,970</b>	<b>33,399</b>
Non-current assets			
Intangible assets	8	89,299	75,753
Property, plant and equipment		510	689
Investment in associates		-	57
Deferred tax asset	4	5,440	-
<b>Total non-current assets</b>		<b>95,249</b>	<b>76,499</b>
<b>Total assets</b>		<b>124,219</b>	<b>109,898</b>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	5(c)	14,400	11,452
Contingent consideration	5(e)	4,385	1,902
Employee benefits	5(d)	2,757	2,094
Loans and borrowings	9	6,159	8,981
<b>Total current liabilities</b>		<b>27,701</b>	<b>24,429</b>
Non-current liabilities			
Contingent consideration	5(e)	3,410	-
Lease incentives	5(c)	176	326
Employee benefits	5(d)	367	402
<b>Total non-current liabilities</b>		<b>3,953</b>	<b>728</b>
<b>Total liabilities</b>		<b>31,654</b>	<b>25,157</b>
<b>Net assets</b>		<b>92,565</b>	<b>84,741</b>
<b>EQUITY</b>			
Contributed equity	10	110,638	109,984
Reserves	12	644	613
Accumulated losses		(18,717)	(25,856)
<b>Total equity</b>		<b>92,565</b>	<b>84,741</b>

The accompanying notes form part of these financial statements.

## Consolidated statement of changes in equity

For the year ended 30 June 2018

YEAR ENDED 30 JUNE 2018	CONTRIBUTED EQUITY \$'000	RESERVES \$'000	ACCUMULATED LOSSES \$'000	TOTAL EQUITY \$'000
Balance at 1 July 2017	109,984	613	(25,856)	84,741
<b>Profit after income tax for the year</b>	-	-	7,139	7,139
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive profit for the year	-	-	7,139	7,139
Transactions with owners in their capacity as owners:				
Share based payments and other transfers of reserves	654	31	-	685
Contribution of equity				
<b>Balance as at 30 June 2018</b>	<b>110,638</b>	<b>644</b>	<b>(18,717)</b>	<b>92,565</b>

YEAR ENDED 30 JUNE 2017	CONTRIBUTED EQUITY \$'000	RESERVES \$'000	ACCUMULATED LOSSES \$'000	TOTAL EQUITY \$'000
Balance at 1 July 2016	62,568	391	(26,081)	36,878
<b>Profit after income tax for the year</b>	-	-	209	209
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive profit for the year	-	-	209	209
Transactions with owners in their capacity as owners:				
Share based payments and other transfers of reserves	45	222	16	283
Contribution of equity	47,371	-	-	47,371
<b>Balance as at 30 June 2017</b>	<b>109,984</b>	<b>613</b>	<b>(25,856)</b>	<b>84,741</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows

For the year ended 30 June 2018

	NOTE	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		48,633	44,540
Payments to suppliers and employees (inclusive of GST)		(42,627)	(39,872)
Interest received		1,562	959
Interest paid		(864)	(745)
Restructure and acquisition costs	19	(2,891)	(1,625)
<b>Net cash provided in operating activities</b>	<b>6</b>	<b>3,813</b>	<b>3,257</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(224)	(226)
Payment for acquisitions (net of cash acquired)		(9,413)	7,306
Proceeds on disposal of investments		5,942	-
Payment for direct acquisition costs		-	(1,780)
Payment for equity investments		-	(30)
Payment for intangible assets		(4,585)	(2,902)
<b>Net cash provided (used) in investing activities</b>		<b>(8,280)</b>	<b>2,368</b>
<b>Cash flows from financing activities</b>			
Proceeds from share issue		59	45
Proceeds from borrowing		312	3,241
Repayment of borrowing		(3,145)	(939)
<b>Net cash (used in) generated from financing activities</b>		<b>(2,774)</b>	<b>2,347</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(7,241)</b>	<b>7,972</b>
Cash and cash equivalents at the beginning of the year		26,645	18,673
<b>Cash and cash equivalents at the end of the year</b>	<b>5(a)</b>	<b>19,404</b>	<b>26,645</b>

The accompanying notes form part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## 1. Revenue

### Rendering of services and performance

Services and Performance revenue is recognised when it is probable that the economic benefit will flow to OneVue and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. This also includes interest revenue on trading accounts.

### Dividends

Dividends are recognised as revenue when the right to receive payment is established.

### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

OneVue Holdings Limited and its controlled entities (referred to as 'OneVue') derives the following types of revenue:

	CONSOLIDATED	
	2018 \$'000	2017 \$'000
Services revenue		
Revenue from services	48,128	39,151
Fair value adjustment on financial assets (Note 7)	54	210
Dividend revenue	66	104
Rental revenue	138	178
Total services revenue	48,386	39,643
Performance fee revenue	734	1,233
<b>Total revenue from continuing operations</b>	<b>49,120</b>	<b>40,876</b>

## 2. Other income

Other income includes:

	CONSOLIDATED	
	2018 \$'000	2017 \$'000
Interest income	111	105
Other revenue	48	-
<b>Other income</b>	<b>159</b>	<b>105</b>

### 3. Description of segments

OneVue is organised into four operating segments: Fund Services, Platform Services, Superannuation Trustee Services and Corporate. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Board also uses underlying EBITDA (earnings before interest, tax, depreciation and amortisation) as a principal profit measure. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

#### Types of services

The principal services of each of these operating segments are as follows:

<b>Fund Services</b>	Managed fund administration and superannuation member administration.
<b>Platform Services</b>	Full function platform administration including managed funds and managed accounts and administration services.
<b>Superannuation Trustee Services</b>	Superannuation trustee services for registered superannuation funds
<b>Corporate</b>	Provision of corporate services to the operating segments. This includes costs of the listed entity (including audit, tax and insurance) and central corporate services.

#### Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans are eliminated on consolidation.

#### Major customers

OneVue does not rely on any major customers. The largest single customer accounts for only 8% of total revenue.

#### Segment income

YEAR ENDED 30 JUNE 2018	FUND SERVICES	PLATFORM SERVICES	SUPER TRUSTEE SERVICES	CORPORATE	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	25,302	18,332	6,710	-	50,344
Eliminations					(1,224)
Total group revenue					49,120
EBITDA *	5,153	4,042	2,674	(4,321)	7,548
Depreciation and amortisation expense	(1,725)	(1,863)	(1,036)	(372)	(4,996)
Interest			(864)	(174)	(1,038)
Earnings Before income tax **	3,427	2,178	774	(4,865)	1,514
Share based payments				(626)	(626)
Net gain in respect of capital transactions				535	535
Acquisition and related restructure costs				(1,558)	(1,558)
Profit (Loss) before income tax	3,427	2,178	774	(6,514)	(135)

### 3. Description of segments (continued)

YEAR ENDED 30 JUNE 2017	FUND SERVICES	PLATFORM SERVICES	SUPER TRUSTEE SERVICES	CORPORATE	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	19,255	17,174	5,598	-	42,027
Eliminations					(1,151)
Total group revenue				-	40,876
EBITDA*	2,637	3,726	2,156	(4,011)	4,508
Depreciation and amortisation expense	(1,269)	(1,682)	(799)	(347)	(4,097)
Interest			(701)	61	(640)
Earnings before income tax**	1,368	2,044	656	(4,297)	(229)
Share based payments				(238)	(238)
Acquisition and related restructure costs				(1,671)	(1,671)
Profit (loss) before income tax	1,368	2,044	656	(6,206)	(2,138)

#### NOTES:

\* EBITDA represents earnings before interest, tax, depreciation and amortisation excluding non-recurring items and share based payments

\*\* Earnings before income tax represents the earnings before income tax excluding non-recurring items and share based payments

### 4. Income tax

OneVue Holdings Limited and its wholly-owned Australian controlled entities have formed an income tax consolidated Group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated Group continue to account for their own current and deferred tax amounts. The tax consolidated Group has applied the 'separate taxpayer within Group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated Group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

#### Unrecognised income tax losses and timing differences

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

The amount of unrecognised income tax losses as at year end was \$87.89 million (2017: \$109.34 million). In future periods, available fraction and recoupment rules govern the amount of these losses that can be used in a single year.

## 4. Income tax (continued)

### Income tax benefit

	CONSOLIDATED	
	2018	2017
	\$'000	\$'000
<b>Reconciliation of income tax benefit to net loss</b>		
Loss before income tax benefit	135	2,138
Prima facie income tax at 30%	41	641
Income and expenditure not allowable for income tax purposes	143	(1,507)
Timing differences not previously recognised	1,212	1,037
Tax losses carried forward not recognised	-	(171)
Previously unrecognised tax losses	5,878	2,347
<b>Income tax benefit</b>	<b>7,274</b>	<b>2,347</b>
Income tax benefit	7,274	2,347
<b>Total income tax benefit</b>	<b>7,274</b>	<b>2,347</b>
<b>Deferred income tax benefit included in income tax benefit comprises:</b>		
Increase in deferred tax assets	7,442	2,347
Increase in deferred tax liabilities	(168)	-
<b>Total income tax benefit</b>	<b>7,274</b>	<b>2,347</b>

	CONSOLIDATED	
	2018	2017
	\$'000	\$'000
<b>Deferred tax assets</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Carried forward tax losses	8,232	318
Other accruals and liabilities	896	936
Legal and capital costs	645	976
Employee entitlements	937	892
<b>Total non-current assets – deferred tax assets</b>	<b>10,710</b>	<b>3,122</b>
<b>Movements:</b>		
Opening balance	3,122	1,240
Recognition of deferred tax asset	7,914	2,347
Movement in deferred tax assets arising from temporary differences	(472)	402
Amounts not recognised	-	(866)
Movements relating to acquisitions	146	-
<b>Closing balance at the end of the year</b>	<b>10,710</b>	<b>3,122</b>

## 4. Income tax (continued)

	CONSOLIDATED	
	2018	2017
	\$'000	\$'000
<b>Deferred tax liabilities</b>		
The balance comprises temporary differences attributable to:		
Intangible assets	5,254	3,122
Other	16	-
<b>Total non-current liabilities – deferred tax liabilities</b>	<b>5,270</b>	<b>3,122</b>
<b>Movements:</b>		
Opening balance	3,122	1,240
Balances arising from acquisition	1,980	2,347
Movement in deferred tax liabilities arising from temporary differences	168	(465)
<b>Closing balance at the end of the year</b>	<b>5,270</b>	<b>3,122</b>
<b>Net deferred tax assets</b>		
Deferred tax assets	10,710	3,122
Deferred tax liabilities	(5,270)	(3,122)
<b>Net deferred tax assets</b>	<b>5,440</b>	<b>-</b>

OneVue has a franking account balance of \$2.44 million (2017: \$2.44 million).

### Other taxes

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

### Key estimates and judgements

#### Recovery of deferred tax assets

Deferred tax assets are recognised for prior period income tax losses, research and development tax offsets, and deductible temporary differences, where it's considered probable that taxable income will be available against which these can be utilised.

The deferred tax asset has been recognised as at 30 June 2018 on the basis of the following:

- the Group is now generating taxable profits which is the culmination of consistent growth and improved margins
- the positive impact of the recent acquisitions on Group profitability
- achievement of significant milestones following sustained activity to on-board key clients



## 5. Working capital and employee benefits provisions

### a. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

	CONSOLIDATED	
	2018 \$'000	2017 \$'000
Cash at bank and in hand	9,633	15,541
Cash at bank and in hand – restricted <sup>1</sup>	9,771	11,104
Reconciliation to cash and cash equivalents at the end of the financial year shown in the statement of cash flows as follows		
Cash balances as above	19,404	26,645
<b>Balance as per statement of cash flows</b>	<b>19,404</b>	<b>26,645</b>

<sup>1</sup> Includes amounts held for prudential purposes and is restricted in use.

### b. Trade and other receivables

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. Trade receivables are recognised at fair value less any provision for impairment.

	CONSOLIDATED	
	2018 \$'000	2017 \$'000
Trade receivables	6,267	4,527
Less: Provision for impairment of receivables	(87)	(84)
	6,180	4,443
Other receivables	1,089	314
<b>Trade and other receivables</b>	<b>7,269</b>	<b>4,757</b>

### Key estimates and judgements

#### Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position.

## 5. Working capital and employee benefits provisions (continued)

### Past due but not impaired

Customers with balances past due (more than 30 days) but without provision for impairment of receivables amount to \$0.78 million (\$0.58 million as at 30 June 2017). OneVue does not consider a credit risk exists on the aggregate balances after reviewing credit terms based on recent collection practices.

### c. Trade and other payables

These amounts represent liabilities for goods and services provided to OneVue prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Other payables not expected to be settled in the twelve months after reporting date are classified as non-current.

The current trade and other payables are set out below:

CONSOLIDATED		
	2018	2017
	\$'000	\$'000
Trade payables	3,530	3,090
Accrued expenses and other payables	10,649	8,072
Short-term lease incentive	221	290
<b>Trade and other payables</b>	<b>14,400</b>	<b>11,452</b>

### Lease incentives

The benefit of a contribution of a lessor to the fit out of a property is recognised as a lease incentive and classified as a liability. The respective fit out costs are recognised as an asset. The asset is depreciated on a straight line basis over the lease term and the corresponding lease incentive is also amortised on a straight line over the term of the lease.

### d. Employee benefits provisions

A provision is recognised when an obligation exists as a result of a past event and it is probable that a future outflow of cash or other benefit will be required to settle the obligation.

#### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable.

#### Other long-term employee benefits

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the reporting period. They are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to experience of employee departures and periods of service. Expected future payments are discounted using corporate bond rates at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## 5. Working capital and employee benefits provisions (continued)

### Other long-term employee benefits (continued)

Regardless of when settlement is expected to occur, liabilities for long service leave and annual leave are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Related on-costs have also been included in the liability.

### Defined contribution plans

The cost of the defined contribution plans for the year was \$2.07 million (2017: \$1.99 million).

### Key estimates and judgements

#### Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and inflation have been taken into account.

#### e. Contingent consideration

A payable is carried at fair value and represents liabilities to make future payments in respect of the purchase price to the acquiree.

	CONSOLIDATED	
	2018	2017
	\$'000	\$'000
Contingent consideration – Current	4,385	1,902
Contingent consideration – Non-current	3,410	-
<b>Total Contingent consideration</b>	<b>7,795</b>	<b>1,902</b>

#### Contingent consideration – KPMG Superannuation Services Pty Ltd

On 13 April 2018, OneVue acquired 100% of the shares of KPMG Superannuation Services Pty Ltd.

The contingent consideration of \$6.7 million is based on client retention. The consideration was recognised at the date of acquisition based on two future cash payments (each \$5.5 million). In recognising these amounts at their fair value at acquisition date, management has applied a probability weighting. Discounting has also been applied to the contingent consideration liability recognised.

#### Contingent consideration – No More Practice Education and its controlled entities

On 16 April 2018, OneVue acquired 100% of the shares of No More Practice Holdings Pty Ltd (NMP).

The contingent consideration of \$0.8 million is based on future revenue targets. The consideration was recognised at the date of acquisition based on a future cash payment (maximum \$1.0 million). In recognising these amounts at their fair value at acquisition date, management has applied a probability weighting. Discounting has not been applied to the contingent consideration liability recognised due to the short period between acquisition and the expected payment on or before 30 June 2019 – refer Note 18.

#### Contingent consideration – Diversa Limited and subsidiaries

On 6 October 2016, OneVue acquired 100% of the shares of Diversa Limited under a Scheme of Arrangement. On 1 September 2017, OneVue paid \$1.9 million which represented the final consideration payment for the acquisition of Tranzact – refer Note 18.

## 6. Reconciliation of cash flows

	CONSOLIDATED	
	2018	2017
	\$'000	\$'000
Net profit after income tax expense for the year	7,139	209
<b>Non-cash items</b>		
Depreciation and amortisation	4,996	4,097
Share based payments	626	238
Financial assets mark to market	(100)	(104)
Disposal of businesses	(2,226)	-
Discount of deferred acquisition costs	177	-
Lease incentive liability	(275)	(269)
<b>Change in operating assets and liabilities:</b>		
Movement in tax	(7,274)	(2,346)
(Increase)/decrease in receivables	(2,512)	573
Increase in trade and other payables	3,426	1,138
Increase in prepayments	(164)	(279)
Net cash provided in operating activities	3,813	3,257

## 7. Current assets – financial assets at fair value through profit or loss

OneVue has assessed its investments held at fair value through profit or loss and these investments are held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit. These investments primarily comprise of holdings in ASX listed equities. Regular purchases and sales of investments are recognised on trade date, the date on which OneVue commits to purchase or sell the asset. Investments are initially recognised at fair value with any transaction costs expensed through the statement of profit or loss and other comprehensive income. Subsequent movements in the fair value of financial assets are recognised in the statement of profit or loss and other comprehensive income. These investments, which are categorised as Level 1 in the 'Fair Value Hierarchy', are valued using the quoted price in active markets.

	CONSOLIDATED	
	2018	2017
	\$'000	\$'000
Listed ordinary shares - held for trading	349	313
Financial assets – restricted <sup>1</sup>	878	778
Total Financial assets	1,227	1,091
Reconciliation of the fair values at the beginning and end of the current financial year are set out below:		
Opening fair value	1,091	269
Additions		-
Additions by Acquisition	-	672
Revaluation increments	186	210
Redemption	(50)	(60)
Closing fair value	1,227	1,091

<sup>1</sup> Includes amounts held for prudential purposes and is restricted in use.

## 8. Non-current assets – intangibles

### Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments - refer Note 3.

### Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The amortisation method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### Customer relationships

Customer relationships acquired as part of a business combination are recognised separately from goodwill. The customer relationships are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which is considered to be between 4 and 7 years.

#### Capitalisation of project development costs and software

Research costs and costs associated with maintaining software programmes are expensed in the period in which they are incurred. Development costs and software costs that are directly attributable to the design and testing of identifiable and unique software products controlled by OneVue are recognised as intangible assets and amortised from the point which the asset is ready for use when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs and software are amortised on a straight line basis over the period of their expected benefit. Capitalised development costs are amortised over their finite life of between 5 to 7 years while capitalised software is amortised over their finite life of between 5 to 10 years.



## 8. Non-current assets – intangibles (continued)

### Client establishment costs

Client establishment costs are costs incurred in relation to set-up and mobilisation of a contract upon award. They are capitalised in intangible assets when there is a probable expectation that they will be recovered and that they can be reliably measured. They are amortised on a straight line basis over the shorter of the period of the contract or five years.

	CONSOLIDATED	
	2018	2017
	\$'000	\$'000
Goodwill	64,596	56,204
Less: Impairment	-	-
	64,596	56,204
Customer relationships - at cost	19,793	16,328
Less: Accumulated amortisation	(6,189)	(5,321)
	13,604	11,007
Project development - at cost	10,905	8,860
Less: Accumulated amortisation	(4,948)	(3,760)
	5,957	5,100
Computer software - at cost	4,270	4,267
Less: Accumulated amortisation	(3,082)	(3,297)
	1,188	970
Client establishment costs - at cost	4,389	2,631
Less: Accumulated amortisation	(435)	(159)
	3,954	2,472
<b>Total Intangible assets</b>	<b>89,299</b>	<b>75,753</b>

		CUSTOMER RELATION- SHIPS	PROJECT DEVELOP- MENT	COMPUTER SOFTWARE	CLIENT ESTABLISH- MENT COSTS	TOTAL
CONSOLIDATED	GOODWILL	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2016	9,274	5,436	4,765	817	1,177	21,469
Acquisitions through business combinations	46,930	7,832	-	-	-	54,762
Other additions	-	-	1,466	373	1,436	3,275
Amortisation expense	-	(2,261)	(1,131)	(220)	(141)	(3,753)
Balance at 30 June 2017	56,204	11,007	5,100	970	2,472	75,753
Acquisitions through business combinations	11,222	6,463	-	-	-	17,685
Other additions	-	-	2,045	580	1,759	4,384
Amortisation expense	-	(2,849)	(1,188)	(231)	(277)	(4,545)
Disposals	(2,830)	(1,017)	-	(131)	-	(3,978)
<b>Balance at 30 June 2018</b>	<b>64,596</b>	<b>13,604</b>	<b>5,957</b>	<b>1,188</b>	<b>3,954</b>	<b>89,299</b>

## 8. Non-current assets – intangibles (continued)

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	CONSOLIDATED	
	2018 \$'000	2017 \$'000
Platform Services	9,575	7,828
Fund Services	33,903	27,258
Superannuation Trustee Services	21,118	21,118
Total Intangible assets	64,596	56,204

The recoverable amount of intangibles has been determined by a value-in-use calculation using a discounted cash flow model, based on revenue projections over a five year period, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

### Key assumptions used in value-in-use calculation

#### Growth rates

Management have estimated the five year compound annual growth rates of Platform Services 11% (2017: 9%), Fund Services 16% (2017:15%) and Trustee Services of 3% (2017: 14%), decreasing to conservative terminal growth rates of Platform Services 2.5%, Fund Services 3% and Superannuation Trustee Services 2.5% beyond year five.

#### Discount rates

The discount rates of Platform Services 15.9% (2017: 13.9%), Fund Services 14.4% (2017: 13.9%) and Trustee Services 11.1% (2017: 13.9%) pre-tax reflects management's estimate of the time value of money and OneVue's weighted average cost of capital adjusted for the Fund Services, Platform Services and Superannuation Trustee Services divisions, the risk free rate and the volatility of the share price relative to market movements.

There were no other key assumptions.

Based on the above, there is no impairment charge for the Fund Services, Platform Services, and Superannuation Trustee Service divisions.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the cash generating unit's intangibles are based would not cause the applicable carrying amounts to exceed their recoverable amounts.

### Key estimates and judgements

#### Impairment of non-financial assets other than goodwill

OneVue assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to OneVue and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### Estimation of useful lives of assets

OneVue determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

## 9. Loans and borrowings

Borrowings are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are capitalised to borrowings and amortised in profit or loss over the expected life of the borrowings.

All borrowings have contracted maturities less than 12 months after the reporting date and are therefore classified as current liabilities.

	CONSOLIDATED	
	2018 \$'000	2017 \$'000
Loan facility	3,956	6,855
Prudential capital funding	2,100	2,045
Insurance premium funding	103	81
<b>Loans and borrowings</b>	<b>6,159</b>	<b>8,981</b>

### Loan facility

OneVue repaid \$2.8 million on the funding facility during the current financial year. The facility provides funding of prudential capital obligations for one of its client funds, with \$4.0 million drawn on this facility as at 30 June 2018. The facility currently matures on 13 June 2019 with interest payable at BBSY bid plus 7% p.a. paid monthly. Diversa Pty Limited (formerly Diversa Limited) has pledged as collateral first ranking security interest over all of its assets and its equity interests.

### Prudential capital funding

OneVue has funding arrangements totalling \$5.0 million with the promoters of two client superannuation funds to provide funding for prudential purposes for the required operational risk reserve. A total of \$2.1 million was funded by the promoters as at 30 June 2018, and of this amount \$2.0 million is repayable in 31 December 2018 with interest payable of 17% p.a. paid monthly, and \$45,000 is repayable at call with no interest payable. The proceeds of these arrangements are held in cash – refer Note 5(a) and financial assets – refer Note 7.

## 10. Contributed equity – issued capital

### Ordinary shares

Ordinary shares are classified as contributed equity.

Ordinary shares entitle holders to receive dividends payable to ordinary shareholders and the right to vote on matters of corporate policy and the composition of the members of the Board of Directors. The fully paid ordinary shares have no par value and OneVue does not have a limited amount of share capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

On 12 September 2017, 1,000,000 shares were issued on the exercise of performance rights that were issued on 30 August 2017. 70,179,753 ordinary shares were issued in October 2016 as part of the consideration for the Diversa Limited acquisition.

## 10. Contributed equity – issued capital (continued)

	CONSOLIDATED			
	2018 Shares	2017 Shares	2018 \$'000	2017 \$'000
Ordinary shares - fully paid	264,337,753	263,337,753	110,638	109,984

### Number of securities on issue

DETAILS	2018 NO. OF SECURITIES	2017 NO. OF SECURITIES
Opening balance	263,337,753	193,158,000
Issue of shares	1,000,000	70,179,753
<b>Closing balance</b>	<b>264,337,753</b>	<b>263,337,753</b>

### Capital management

OneVue's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, OneVue may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

OneVue may elect to raise capital when an opportunity arises to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

## 11. Earnings per share

Earnings per share are determined by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are adjusted from the basic earnings per share by taking into account the impact of dilutive potential units.

	2018 CENTS	2017 CENTS
Basic and diluted earnings per share	2.70	0.08

The weighted average number of shares used in the calculation of basic and diluted earnings per share are as follows:

	NUMBER	NUMBER
Basic earnings per share	264,171,086	245,792,815
Diluted earnings per share	264,434,449	245,792,815

Diluted earnings per shares includes 316,035 restricted rights that have vested but not exercised as of 30 June 2018.

## 12. Equity – reserves

DETAILS	2018 \$'000	2017 \$'000
Share based payment reserve	644	613
Opening balance	613	391
Repayment of limited recourse loan	-	(16)
Share based payment expense	31	238
Closing balance	644	613

### Share based payments reserve

The share based payments reserve records the fair value of performance and restricted rights issued.

## 13. Financial instruments

### Financial risk management objectives

OneVue's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. OneVue's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of OneVue. OneVue uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Financial risk management is carried out by senior finance executives (Finance) under policies approved by the Board of Directors (the Board). These policies include identification and analysis of the risk exposure of OneVue and appropriate procedures, controls and risk limits. Finance reports to the Board on a monthly basis.

OneVue's Audit, Risk Management and Compliance Committee oversees how management monitors compliance with OneVue's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by OneVue.

### Market risk

#### Foreign currency risk

OneVue is not exposed to any significant foreign currency risk.

#### Price risk

OneVue is exposed to price risk in relation to equity securities. This arises from investments held by OneVue and are classified on the statement of financial position at fair value through profit or loss. OneVue is not exposed to commodity price risk.

#### Interest rate risk

OneVue is not materially exposed to movements in short-term variable interest rates on cash and cash equivalents and deposits. OneVue's interest bearing loan has a variable interest rate giving rise to interest rate risk as variable interest rates may increase. All other financial assets and liabilities are not exposed to variable interest rates.



## 13. Financial instruments (continued)

The Directors believe a 50 basis point movement is a reasonable sensitivity given current market conditions. A 50 basis point increase or decrease in interest rates would impact the OneVue's income statement as set out below:

	CONSOLIDATED	
	2018	2017
	\$'000	\$'000
50 basis points increase in interest rate	77	99
50 basis points decrease in interest rate	(77)	(99)
<b>Net impact on profit (loss) after tax</b>		
Profit (loss) after income tax:	7,139	209
50 basis point increase	7,216	308
50 basis point decrease	7,062	110

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to OneVue. Credit risk arises from OneVue's trade receivables, other receivables, receivables from subsidiaries and cash at bank and on deposit.

The Group is exposed to credit risk on cash balances with financial institutions. New cash transactions are limited to financial institutions that meet minimum credit rating criteria.

OneVue is exposed to credit risk on trade receivables balances. OneVue obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. OneVue does not hold any collateral.

### Liquidity risk

Vigilant liquidity risk management requires OneVue to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

OneVue manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Under the terms of its Australian Financial Services Licence, OneVue RE Services Limited, a subsidiary of OneVue Wealth Services Limited is required to hold up to \$5 million in adjusted surplus liquid funds at all times.

See Note 10 for details of OneVue's financial arrangements at year end.

### Remaining contractual maturities

The following table details OneVue's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

## 13. Financial instruments (continued)

AS AT 30 JUNE 2018

CONSOLIDATED	1 YEAR OR LESS \$'000	1 - 5 YEARS \$'000
Non-derivatives		
<i>Non-interest bearing</i>		
Trade and other payables	11,908	-
Contingent consideration	4,385	4,125
<i>Interest bearing</i>		
Loans and borrowings	6,159	-
<b>Total non-derivatives</b>	<b>22,452</b>	<b>4,125</b>

AS AT 30 JUNE 2017

CONSOLIDATED	1 YEAR OR LESS \$'000	1 - 5 YEARS \$'000
Non-derivatives		
<i>Non-interest bearing</i>		
Trade and other payables	11,035	-
Contingent consideration	1,902	-
<i>Interest bearing</i>		
Loans and borrowings	8,981	-
<b>Total non-derivatives</b>	<b>21,918</b>	<b>-</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

### Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## 14. Key management personnel disclosures

### Compensation

The aggregate compensation made to Directors and other members of key management personnel of OneVue is set out below:

	CONSOLIDATED	
	2018 \$	2017 \$
Share based payment expense	532,927	238,467
Short-term employee benefits	1,604,142	1,498,239
Post-employment benefits	164,750	129,115
Long-term benefits	27,228	26,616
<b>Total key management personnel compensation</b>	<b>2,329,047</b>	<b>1,892,437</b>

## 15. Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

### Performance Rights and Restricted Rights

At the 2016 AGM, the OneVue shareholders approved the issue of:

- 284,865 Performance Rights to the Managing Director with vesting subject to the achievement of performance relative to the vesting condition; and
- 316,035 Restricted Rights issued to the Managing Director in relation to a salary sacrifice arrangement.

The Performance Rights issued to the Managing Director may be converted into shares in OneVue subject to the satisfaction the following service based conditions and performance hurdles: the Managing Director must still be an employee at the vesting date and OneVue's total shareholder return (TSR) measure is achieved over the three year or longer measuring period. These Restricted Rights are not subject to performance testing or vesting conditions. 600,900 rights were outstanding as at 30 June 2018 (30 June 2017: 600,900).

On 30 August 2017, 1,000,000 performance rights were issued to Key Management pursuant to the OneVue Holdings Limited LTI and Rights Plan exercisable at \$0.00 and expiring 30 August 2022. All of these rights were exercised during the year ended 30 June 2018.

### Employee share scheme

No shares were issued as part of an employee share scheme in 2018 (2017: Nil).

### Employee Option Plan

No options were issued as part of an employee option plan in 2018 (2017: Nil).

### Limited recourse loans secured by shares

In May 2014, options held by management were exercised and per the terms of the exercising of the options OneVue issued an interest free limited recourse loan for employees which ends on 30 May 2019 and is repayable upon selling the shares. This loan is based on the exercise price of the initial options on 16 May 2014 at 25 cents per unit, with a total value of \$1.1 million. The fair value of the limited recourse loans was determined using the same valuation and inputs as options granted during the year of issue.

## 16. Corporate information

The consolidated financial statements of OneVue and its subsidiaries for the year ended 30 June 2018 were authorised for issue in accordance with the resolution of the Directors on 27 September 2018. OneVue is a company limited by shares and incorporated and domiciled in Australia. OneVue's shares are publicly traded on the Australian Securities Exchange (ASX code: OVH). Its registered office and principal place of business is Level 5, 10 Spring Street, Sydney NSW 2000.

A description of the nature of OneVue's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

## 17. Consolidated group and interests in subsidiaries

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OneVue Holdings Limited (parent entity) as at 30 June 2018 and the results of all subsidiaries for the year ended 30 June 2018.

Subsidiaries are all those entities over which OneVue has control. OneVue controls an entity when OneVue is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to OneVue. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in OneVue are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

### Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by OneVue
- fair value of any asset or liability resulting from a contingent consideration arrangement
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. OneVue recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquire is recognised as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

## 17. Consolidated group and interests in subsidiaries (continued)

### Business combinations (continued)

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries.

NAME	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2018 %	2017 %
CCSL Limited	Australia	100%	100%
Diversa Funds Management Pty Ltd	Australia	100%	100%
Diversa Pty Ltd (formerly Diversa Limited)	Australia	100%	100%
Diversa Superannuation Services Limited	Australia	100%	100%
Diversa Trustee Limited	Australia	100%	100%
FUND.eXchange Pty Ltd (formerly OneVue Private Clients Pty Limited)	Australia	100%	100%
Glykoz Pty Ltd	Australia	100%	100%
Group Insurance & Superannuation Concepts Pty Ltd	Australia	100%	100%
InvestSelect Pty Ltd	Australia	-	100%
LESF Pty Ltd	Australia	-	100%
MAP Financial Planning Pty Ltd	Australia	100%	100%
MAP Funds Management Ltd	Australia	100%	100%
No More Practice Holdings Pty Ltd	Australia	100%	-
No More Practice Education Pty Ltd	Australia	100%	-
OneVue Financial Pty Limited	Australia	100%	100%
OneVue Fund Services Pty Ltd	Australia	100%	100%
OneVue Pty Limited	Australia	100%	100%
OneVue RE Services Limited	Australia	-	100%
OneVue Services Pty Ltd	Australia	100%	100%
OneVue Super Member Administration Pty Limited (Formerly KPMG Superannuation Services Pty Limited)	Australia	100%	-
OneVue Super Services Holdings Pty Limited	Australia	100%	100%
OneVue Super Services Pty Limited	Australia	100%	100%
OneVue UMA Pty Limited	Australia	100%	100%
OneVue Unit Registry Pty Ltd	Australia	100%	100%
OneVue Wealth Solutions Pty Ltd (Formerly OneVue Wealth Services Pty Limited)	Australia	100%	100%
Pellias Pty Limited	Australia	-	100%
Select Funds Pty Limited	Australia	-	100%
OneVue Wealth Services Pty Limited (Formerly Select Investment Partners Limited)	Australia	100%	100%
SMSF Managers Pty Ltd	Australia	-	100%
Tranzact Consulting Pty Limited	Australia	100%	100%
Tranzact Financial Services Pty Limited	Australia	100%	100%
Tranzact Superannuation Services Pty Ltd	Australia	100%	100%



## 17. Consolidated group and interests in subsidiaries (continued)

### Business combinations (continued)

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests.

NAME	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PARENT		NON-CONTROLLING INTEREST	
			OWNERSHIP INTEREST	OWNERSHIP INTEREST	OWNERSHIP INTEREST	OWNERSHIP INTEREST
			2018	2017	2018	2017
SMA Tax and SMSF Services Pty Ltd*	Australia	SMSF Services	-	49%	-	51%

#### NOTE:

\* The non-controlling interest in the entity is immaterial. SMA Tax and SMSF Services Pty Ltd is dormant.

## 18. Business combinations

### KPMG Superannuation Services Pty Ltd

On 13 April 2018, OneVue acquired 100% of the shares of KPMG Superannuation Services Pty Ltd.

KPMG Superannuation Member Administration provides a full suite of superannuation administration and advisory services to over \$2 billion in funds under management and most of its clients are largely financial services institutions and APRA-regulated superannuation funds.

The KPMG Superannuation Member Administration business increases OneVue's current superannuation member capabilities by adding KPMG's deep technical expertise in managing complex superannuation funds.

Goodwill on the acquisition reflects the expectation of growth opportunities through the creation of a larger super member operation. OneVue also expects to achieve efficiency gains and cost savings.

The acquired businesses contributed revenues of \$2.1 million and net profit of \$0.5 million for the year ended 30 June 2018. If the acquisitions had occurred on 1 July 2017 then contributed revenues and profit would have been \$9.9. million and \$2.3 million respectively.

The consideration for KPMG Superannuation Services Pty Ltd comprised:

- cash paid of \$6.6 million; plus
- contingent consideration \$6.7 million.

As at 30 June 2018, the fair value of the contingent consideration was \$6.9 million. The contingent consideration which is based on client retention was recognised at the date of acquisition based on two future cash payments (each \$5.5 million). In recognising these amounts at their fair value at acquisition date a probability weighting has been applied based on management's judgement on likelihood of renewal of client contracts. Discounting has also been applied to the contingent consideration liability recognised.

ACQUISITION DATE FAIR VALUE OF THE TOTAL CONSIDERATION TRANSFERRED	\$'000
Cash paid or payable to vendor	6,613
Contingent consideration	6,702
<b>Fair value of the total consideration transferred</b>	<b>13,315</b>
<b>Net cash outflow arising on acquisition</b>	
Consideration paid in cash	(6,613)
Working capital adjustment	113
<b>Net cash outflow arising on acquisition</b>	<b>(6,500)</b>

## 18. Business combinations (continued)

The provisional fair values of the identifiable assets and liabilities of KPMG Superannuation Services Pty Ltd at the date of acquisition and the cash flow at acquisition were as follows:

CONSOLIDATED	\$'000
Trade receivables and other assets	2,374
Intangibles assets – customer relationships	6,160
Trade creditors and other payables	(195)
Deferred income	(1,867)
Employee entitlements	(384)
Tax liabilities	(1,677)
Net assets acquired	4,411
Goodwill	8,904

Direct costs relating to the acquisition were \$0.5 million. These were all expensed through the administrative expenses in the statement of profit and loss and other comprehensive income.

The initial acquisition accounting of KPMG Superannuation Services Pty Ltd has been provisionally determined. OneVue has 12 months from the date of acquisition to finalise the accounting to reflect any new information.

### No More Practice Education and its controlled entity

On 16 April 2018, OneVue acquired 100% of the shares of No More Practice Holdings Pty Ltd (NMP).

NMP is a digital distribution portal and online education platform.

Goodwill on the acquisition reflects the opportunity for new business and leveraging off existing OneVue relationships.

The acquired businesses contributed revenues of \$0.4 million and net loss of \$0.1 million for the year ended 30 June 2018. If the acquisitions had occurred on 1 July 2017 then contributed revenues and loss would have been \$1.5 million and \$0.4 million respectively.

The consideration for NMP comprised:

- cash paid of \$1.1 million; plus
- contingent consideration \$0.8 million.

As at 30 June 2018, the fair value of the contingent consideration was \$0.8 million. The cash component of the contingent consideration which is based on revenue targets to be met by 30 June 2019, was recognised at the date of acquisition based on a future cash payment (maximum \$1.0 million). In recognising these amounts at their fair value at acquisition date a probability weighting has been applied based on management's judgement of likelihood of revenue target being reached. Discounting has not been applied to the contingent consideration liability recognised due to the short period between acquisition and the expected payment date of before or on 30 June 2019.

There is also an equity component of contingent consideration up to \$2.9 million in OneVue Holdings Limited ordinary shares which is based on revenue targets between the financial years ended 30 June 2019 and financial year ended 30 June 2021. As the recipient of these must continue to be employed by OneVue at the applicable issue dates these are post acquisition services and recognised as an expense when incurred and therefore do not form part of the consideration for the purpose of acquisition accounting.

## 18. Business combinations (continued)

ACQUISITION DATE FAIR VALUE OF THE TOTAL CONSIDERATION TRANSFERRED	\$'000
Cash paid or payable to vendor	1,111
Contingent consideration	800
Cash and cash equivalent balances acquired	(100)
<b>Fair value of the total consideration transferred</b>	<b>1,811</b>
<b>Net cash outflow arising on acquisition</b>	
Consideration paid in cash	(1,111)
Cash and cash equivalent balances acquired	100
<b>Net cash outflow arising on acquisition</b>	<b>(1,011)</b>

The provisional fair values of the identifiable assets and liabilities of NMP at the date of acquisition and the cash flow at acquisition were as follows:

CONSOLIDATED	\$'000
Trade receivables and other assets	41
Intangibles assets – customer relationships	274
Trade creditors and other payables	(141)
Deferred income	(507)
Employee entitlements	(91)
Tax liabilities	(75)
Net assets acquired	(499)
Goodwill	2,312

Direct costs relating to the acquisition were \$0.1 million. These were all expensed through the administrative expenses in the statement of profit and loss and other comprehensive income.

The initial acquisition accounting of NMP has been provisionally determined. OneVue has 12 months from the date of acquisition to finalise the accounting to reflect any new information.

## 19. Disposal of subsidiaries and interests in other entities

### Significant entities or businesses disposed

There were no significant entities or businesses disposed of or deconsolidated due to loss of control during the financial year.

### Interests in other entities or businesses disposed

OneVue RE Services Limited, SMSF Managers Pty Ltd and WealthPortal Pty Ltd.

Aggregate details of the interests in other entities or businesses disposed are as follows:

	CONSOLIDATED	
CARRYING VALUE OF ASSETS AND LIABILITIES DISPOSED	2018 \$	2017 \$
Current assets	480	-
Goodwill	2,831	-
Other Non-current assets	693	-
Current liabilities	(228)	-
<b>Total carrying value of net assets disposed</b>	<b>3,776</b>	<b>-</b>
<b>Total consideration</b>	<b>5,909</b>	<b>-</b>
Direct costs relating to disposal	(1,598)	-
<b>Net gain in respect of capital transactions</b>	<b>535</b>	<b>-</b>

## 20. Parent entity information

Set out below is supplementary information about the parent entity.

### Statement of profit or loss and other comprehensive income

	PARENT	
	2018	2017
	\$'000	\$'000
Profit after income tax	14,942	812
Total comprehensive income	14,942	812

### Statement of financial position

	PARENT	
	2018	2017
	\$'000	\$'000
Total current assets	20,085	23,188
Total assets	116,406	93,105
Total current liabilities	8,052	362
Total liabilities	8,052	362
Equity		
Contributed equity	110,638	109,984
Share based payment reserve	644	629
Accumulated losses	(2,928)	(17,870)
Total equity	108,354	92,743

### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

### Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018 and 30 June 2017.

### Significant accounting policies of the parent entity

The accounting policies of the parent entity are consistent with those of the Group as disclosed in this financial report except for the parent entity's investments in subsidiaries and associates, which are accounted for at cost, less any impairment the parent entity.

## 21. Related party transactions

### Parent entity

OneVue Holdings Limited is the parent entity.

### Subsidiaries

Interests in subsidiaries are set out in Note 17.

### Associates

Interests in associates are set out in Note 22.

### Key management personnel

Disclosures relating to key management personnel are set out in Note 14 and the remuneration report in the Directors' report.

### Transactions with related parties

There were no material transactions with related parties.

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

### Guarantees provided by related parties

OneVue is not the beneficiary of bank guarantees over assets held by related parties as at 30 June 2018.

## 22. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates are set out below:

NAME	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2018 %	2017 %
Gold Financial Pty Ltd	Australia	3.43%	3.43%
WealthPortal Pty Ltd	Australia	-	20.00%

OneVue sold its interest in WealthPortal Pty Ltd during the year ended 30 June 2018 – Note 19.

## 23. Contingent assets

OneVue has no contingent assets as at 30 June 2018 (2017: \$Nil).

## 24. Guarantees

OneVue has the following guarantees:

	CONSOLIDATED	
	2018 \$'000	2017 \$'000
Guarantee for ASX bond	500	500
Guarantees for rental bonds	980	1,184
	1,480	1,684



## 25. Litigation

OneVue may be involved from time to time in various claims and lawsuits incidental to the ordinary course of business. Based on legal advice obtained, other than the amounts already provided for in the accounts, the Directors do not expect any material liabilities to eventuate.

## 26. Commitments

Future minimum rentals payable under non-cancellable operating leases:

	CONSOLIDATED	
	2018	2017
	\$'000	\$'000
Within one year	1,274	1,508
One to five years	846	2,120
	2,120	3,628

The above commitments relate mainly to the leasing of premises with lease terms between 3 and 5 years and include renewable lease terms.

The minimum lease repayments made in the year were \$1.79 million (2017: \$1.54 million).

## 27. Events after the reporting period

No matters or circumstances have arisen since 30 June 2018 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## 28. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditors of OneVue, and unrelated firms. Audit fees paid by the funds are not included in the below table:

	2018 \$	2017 \$
<b>Audit and review services and other regulatory returns</b>		
Deloitte Touche Tohmatsu	412,200	-
BDO East Coast partnership	-	276,000
Ernst and Young	-	70,328
Moore Stephens	-	15,000
	412,200	361,328
<b>Audit and review services for non-consolidated managed funds and superannuation funds*</b>		
BDO East Coast partnership	35,000	52,000
Ernst and Young	9,600	149,836
Price Waterhouse Coopers	60,000	70,000
Total audit fee attributable to the audit and review of non-consolidated funds	104,600	271,836
Total Audit and review services	516,800	633,164
<b>Non-audit services - Tax and other services</b>		
Deloitte Touche Tohmatsu	126,485	-
BDO East Coast partnership	-	76,000
Ernst and Young	-	38,538
	126,485	114,538
<b>Non-audit services - Tax and other services for non-consolidated managed funds and superannuation funds*</b>		
Ernst and Young	-	71,280
Total Non-audit services	126,485	185,818

### NOTE:

\* These costs are recovered from the funds to which they relate.

## 29. Summary of significant accounting policies

Significant accounting policies adopted in the preparation of these consolidated financial statements have been disclosed in the relevant notes to the financial statements. All other accounting policies are outlined below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of OneVue Holdings Limited and its subsidiaries.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001 (Cth)*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

## 29. Summary of significant accounting policies (continued)

### Parent entity information

In accordance with the *Corporations Act 2001 (Cth)*, these financial statements present the results of OneVue only. Supplementary information about the parent entity is disclosed in Note 19.

### Foreign currency

Both the functional and presentation currency of OneVue is Australian dollars.

### Fair value

OneVue measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price OneVue would receive if it sold an asset or would have to pay to transfer a liability. More information is disclosed in the applicable notes.

### New and amended standards adopted by OneVue

The principal accounting policies adopted in the preparation of the financial statements are set out in the relevant notes to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

OneVue has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. There are no material changes to accounting standards in the year ended 30 June 2018 that impact the financial performance or position of OneVue.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by OneVue. OneVue's assessment of the impact of these new standards and interpretations is set out below.

#### AASB 9 Financial Instruments and its consequential amendments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income (OCI). New impairment requirements will use an 'expected credit loss' (ECL) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. OneVue will adopt this standard from 1 July 2018. The Directors' preliminary view is that the application of AASB 9 is unlikely to have a material impact on the financial statements.

## 29. Summary of significant accounting policies (continued)

### New standards and interpretations not yet adopted (continued)

#### AASB 16 'Leases'

AASB 16 replaces AASB 117 'Leases', provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The accounting model for lessees will require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets. AASB 16 applies to annual periods beginning on or after 1 January 2019.

OneVue has identified all material leases and on transition OneVue expects to apply the modified retrospective approach, which does not require restating of comparative periods.

The preliminary estimated impact of this new standard as at 30 June 2018 is \$1.76 million (undiscounted) in applicable non-cancellable operating lease commitments. A preliminary assessment indicates that these arrangements will meet the definition of lease under AASB 16, and hence the group will recognise a right-of-use asset and a corresponding liability in respect of all its leases. These lease commitments do not qualify for low value or short-term leases upon the application of AASB 16.

This preliminary assessment is indicative and based upon current information that may by its nature change between this reporting date and the application date of AASB 16.

#### AASB 15 'Revenue from Contracts with Customers'

AASB 15 replaces all current guidance on revenue recognition from contracts with customers. It requires identification of discrete performance obligations within a transaction and an associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of the goods or services are transferred to the customer. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component will occur when the uncertainties around its measurement are removed.

AASB 15 also specifies the accounting treatment for costs incurred to obtain or fulfil a contract. Costs are recognised as an asset only if the entity expects to recover them. Any capitalised contract costs are amortised on a systematic basis that is consistent with the transfer of the related goods and services.

The Consolidated Entity will first apply AASB 15 in the financial year beginning 1 July 2018, retrospectively, recognising the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings, with no comparatives restatement.

OneVue's main source of revenue arise through the provision of financial services to clients. These financial services include:

- Managed fund administration and superannuation member administration
- Full function platform administration
- Superannuation trustee services

In accordance with the revenue recognition policies described in these financial statements, revenue is typically recognised as the performance obligations are delivered. OneVue's assessment of revenue streams existing at transition has concluded that additional disclosure describing in greater detail the revenue recognition process for the Group's revenue types will need to be made, but otherwise the new standard not have a material impact on OneVue's results.

The Consolidated Entity and the Company expects presentation changes in the income statements relating to certain recoverable costs previously recognised net of any associated revenue.



# DIRECTORS' DECLARATION





# DIRECTORS' DECLARATION

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 September 2018. The Directors have the power to amend and reissue the financial statements.

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001 (Cth)*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements
- the attached financial statements and notes thereto give a true and fair view of OneVue's financial position as at 30 June 2018 and of its performance for the financial year ended on that date
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001 (Cth)*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001 (Cth)*.

On behalf of the Directors



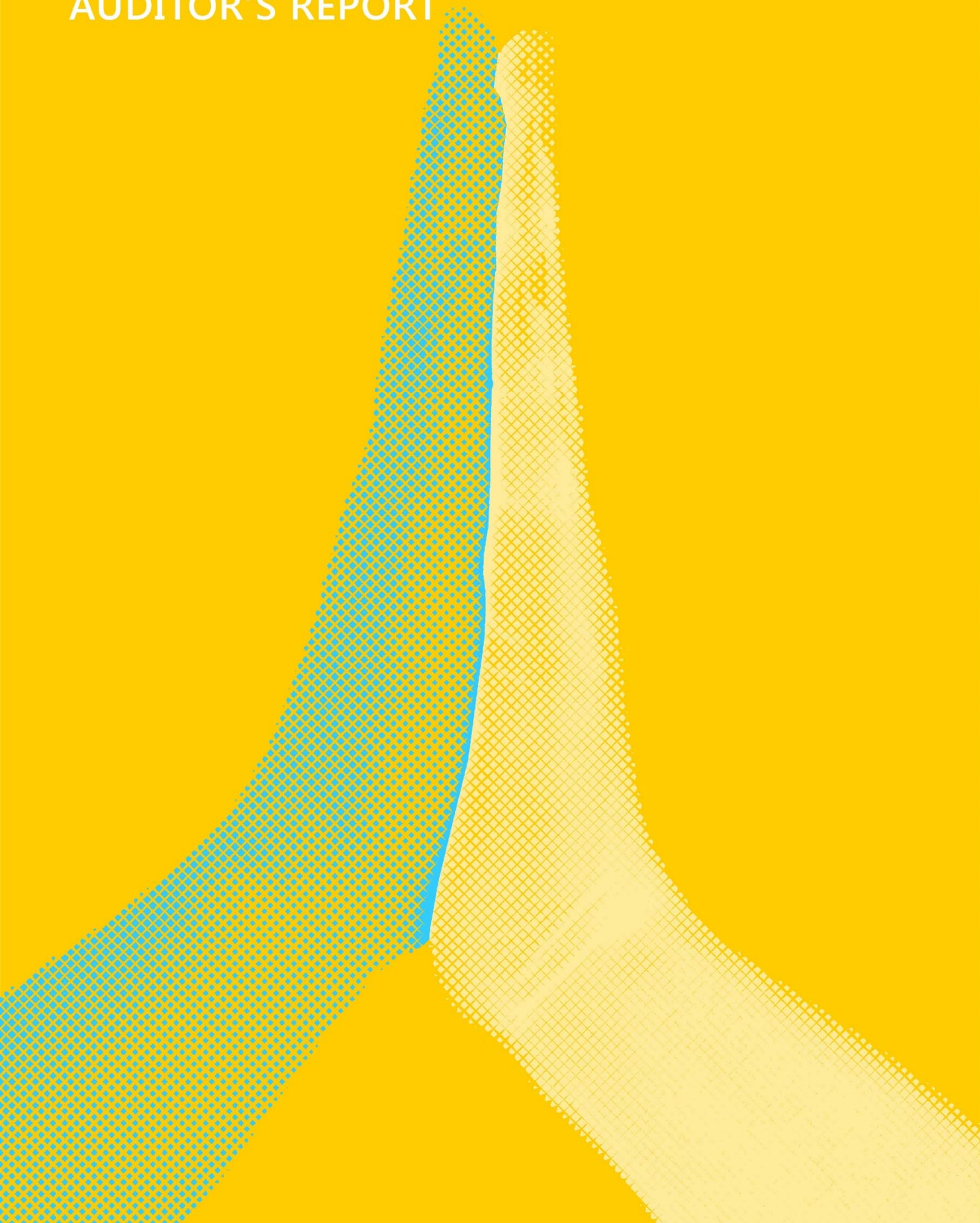
**Ronald Dewhurst**

Director

27 September 2018

Sydney

INDEPENDENT  
AUDITOR'S REPORT



## Independent Auditor's Report to the Members of OneVue Holdings Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of OneVue Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p><b>Goodwill and other intangible assets</b></p> <p>At 30 June 2018, the Group held goodwill and other intangible assets amounting to \$89.3 million as disclosed in Note 8.</p> <p>The Group is required to test goodwill annually for impairment. Additionally, determination of the 'Value in Use' of each Cash Generating Unit ("CGU"), being Funds Services, Platform Services and Superannuation Trustee Services and whether or not an impairment charge is necessary, requires the exercise of significant judgement in relation to key assumptions like discount rates, terminal growth rates, weighted average cost of capital, forecast future revenue growth and cost assumptions.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of management's key controls associated with the preparation of the impairment model and the impairment process for the identification of indicators of impairment;</li> <li>engaging our valuation experts to assist in evaluating the impairment model prepared by management and the reasonableness of the key assumptions like discount rates, forecast future revenues, weighted average cost of capital and terminal growth rates;</li> <li>testing on sample basis the mathematical accuracy of the impairment model;</li> <li>assessing the appropriateness of management's basis of the allocation of goodwill between the CGU's of the Group;</li> <li>comparing the 'Value in Use' estimate of each CGU to the carrying value of assets and liabilities allocated to each CGU, to assess any impairment of goodwill and intangibles;</li> <li>performing sensitivity analysis around the key assumptions; and</li> <li>comparing the reasonableness of board approved budget for the previous financial year to actual numbers reported in the financial report for year ended 30 June 2018.</li> </ul> <p>We also assessed the appropriateness of the disclosures in Note 8 to the financial statements.</p>
<p><b>Purchase price accounting</b></p> <p>On 13 April 2018, the Group acquired KPMG Superannuation Services Pty Ltd for a consideration of \$13.31 million. The consideration comprises cash amounting to \$6.61 million, deferred contingent consideration of \$6.7 million as disclosed in Note 18.</p> <p>Management have determined the fair value of net identifiable assets acquired amount to \$4.41 million, primarily consisting of \$6.16 million of client relationships assets, \$2.38 million of trade receivables and other assets, deferred income liability of \$1.87 million and tax liabilities of \$1.68 million.</p> <p>Significant judgment is required by management in the identification and valuation of intangible assets on acquisition, including the valuation methodology, and the inputs and assumptions of the valuation model.</p> <p>In addition, the goodwill arising from the acquisition is highly dependent on the fair value of the identifiable assets acquired and the liabilities assumed from KPMG Superannuation Services Pty Ltd at the acquisition date.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>obtaining the relevant contractual terms of the sales deed from management and evaluating management's treatment is consistent with the relevant accounting standards;</li> <li>obtaining management's calculation of total purchase consideration for the acquisition and evaluating management's assessment of the initial fair value of the contingent consideration;</li> <li>obtaining management's assessment of the purchase price allocation, including the identifiable assets acquired, liabilities assumed at the acquisition date and calculation of goodwill;</li> <li>testing the mathematical accuracy of the calculation of goodwill; and</li> <li>evaluating management's methodologies and calculations used to determine the fair value of the assets acquired and the liabilities assumed.</li> </ul> <p>We also assessed the appropriateness of the disclosures in Note 18 to the financial statements.</p>



<p><b>Purchase price accounting</b></p> <p>On 16 April 2018, the Group acquired No More Practice Holdings Pty Ltd and its controlled entity for a consideration of \$1.8 million. The consideration comprises cash amounting to \$1.01 million, deferred contingent consideration of \$0.8 million as disclosed in Note 18.</p> <p>Management have determined the fair value of net identifiable liabilities acquired amount to \$0.5 million, primarily consisting of \$0.27 million of client relationships assets, \$0.04 million of trade receivables and other assets, trade creditors and other payables of \$0.14 million, deferred income liability of \$0.5 million and tax liabilities of \$0.07 million.</p> <p>Significant judgment is required by management in the identification and valuation of intangible assets on acquisition, including the valuation methodology, and the inputs and assumptions of the valuation model.</p> <p>In addition, the goodwill arising from the acquisition is highly dependent on the fair value of the identifiable assets acquired and the liabilities assumed from No More Practice Holdings Pty Ltd at the acquisition date.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• obtaining the relevant contractual terms of the sales deed from management and evaluating management's treatment is consistent with the relevant accounting standards;</li> <li>• obtaining management's calculation of total purchase consideration for the acquisition and evaluating management's assessment of the initial fair value of the contingent consideration;</li> <li>• obtaining management's assessment of the purchase price allocation, including the identifiable assets acquired, liabilities assumed at the acquisition date and calculation of goodwill;</li> <li>• testing the mathematical accuracy of the calculation of goodwill; and</li> <li>• evaluating management's methodologies and calculations used to determine the fair value of the assets acquired and the liabilities assumed.</li> </ul> <p>We also assessed the appropriateness of the disclosures in Note 18 to the financial statements.</p>
<p><b>Deferred tax asset relating to tax losses</b></p> <p>As at 30 June 2018, the Group has recorded a deferred tax asset of \$8.23 million relating to prior period tax losses incurred by the Group as disclosed in Note 4.</p> <p>Significant judgement is required in determining the recoverability of this deferred tax asset which is dependent on the generation of sufficient future taxable profits to utilise these tax losses.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• challenging the appropriateness of management's assumptions relating to the forecasts of future taxable profits;</li> <li>• evaluating the reasonableness of the assumptions underlying the preparation of these forecasts;</li> <li>• reviewing the reasonableness of board approved budget for the previous financial year to actual numbers reported in the financial report for year ended 30 June 2018;</li> <li>• reviewing management's deferred tax calculation for mathematical accuracy, in accordance with the relevant Accounting Standards and Australian tax legislation.</li> </ul> <p>We also assessed the appropriateness of the disclosures in Note 4 to the financial statements.</p>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our



knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 34 to 47 of the Directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of OneVue Holdings Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Frances Borg  
Partner  
Chartered Accountant  
Sydney, 27 September 2018

# ASX ADDITIONAL INFORMATION





# ASX ADDITIONAL INFORMATION

The shareholder information set out below is as at 12 September 2018.

## Equity security holders

Twenty largest quoted equity security holders.

The names of the twenty largest security holders of quoted equity securities:

Rank	Name	Units	% of Units
1.	ABTOURK (SYD NO 415) PTY LTD <MICHAEL JOHN COLE PSF A/C>	30,306,339	11.47
2.	UBS NOMINEES PTY LTD	29,052,068	10.99
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,748,052	10.12
4.	CITICORP NOMINEES PTY LIMITED	24,007,010	9.08
5.	J P MORGAN NOMINEES AUSTRALIA LIMITED	9,521,805	3.60
6.	NATIONAL NOMINEES LIMITED	9,393,824	3.55
7.	NIGEL STOKES PTY LTD <NIGEL STOKES PTY LTD P/F A/C>	4,000,852	1.51
8.	SUPERTCO PTY LTD <TAG SMALL CAP FUND A/C>	4,000,000	1.51
9.	BNP PARIBAS NOMS (NZ) LTD <DRP>	3,453,699	1.31
10.	PHAROS FINANCIAL GROUP PTY LTD <THE PHAROS FIN GROUP A/C>	2,550,233	0.96
11.	ABTOURK (SYD NO 376) PTY LTD	2,523,641	0.95
12.	STEPHEN J M KARRASCH	2,440,878	0.92
13.	KARRASCH PTY LTD <KARRASCH SUPERANNUATION FUND>	1,976,806	0.75
14.	FORSYTH BARR CUSTODIANS LTD <FORSYTH BARR LTD-NOMINEE A/C>	1,905,491	0.72
15.	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	1,817,007	0.69
16.	GINGA PTY LTD <T G KLINGER SUPER FUND A/C>	1,698,057	0.64
17.	BNP PARIBAS NOMS PTY LTD <DRP>	1,557,029	0.59
18.	POSSE INVESTMENT HOLDINGS PTY LIMITED	1,547,813	0.59
19.	ARLJM INVESTMENTS PTY LTD <ARLJM FAMILY A/C>	1,536,428	0.58
20.	STRATEGIC CONSULTANTS INTERNATIONAL PTY LTD <STRATEGIC ADVANTAGE S/F A/C>	1,349,678	0.51
Top 20 holders of issued capital		161,386,710	61.05
Remaining holders balance		102,951,043	38.95
Total Issued Capital		264,337,753	100

## Distribution of equity securities

Analysis of number of equity security holders by size of holding:

	1 to 1,000	1,001 to 5,000	5,001 to 10,000	10,001 to 100,000	100,001 and over
Holders	425	959	576	1,242	194
Shares	196,381	2,612,090	4,415,105	40,803,064	216,311,113
Total holders	3,396				
Total shares	264,337,753				

Total number of shareholders with less than a marketable a parcel of shares (valued at \$500 or less): 260.

## Unquoted equity securities

	Number on issue	Number of holders
Rights over ordinary shares issued	600,900	1

## Substantial holders

The number of shares held by substantial shareholders and their associates, based on the latest substantial shareholder notifications is as follows:

Shareholder	Shares held	% of total shares issued
Abtourk Group	34,125,023	12.9%
Thorney Investment Group	30,930,467	11.7%
Commonwealth Bank of Australia	21,964,383	8.3%

## Voting rights

The voting rights attached to ordinary shares are set out below:

### Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities entitled to vote.

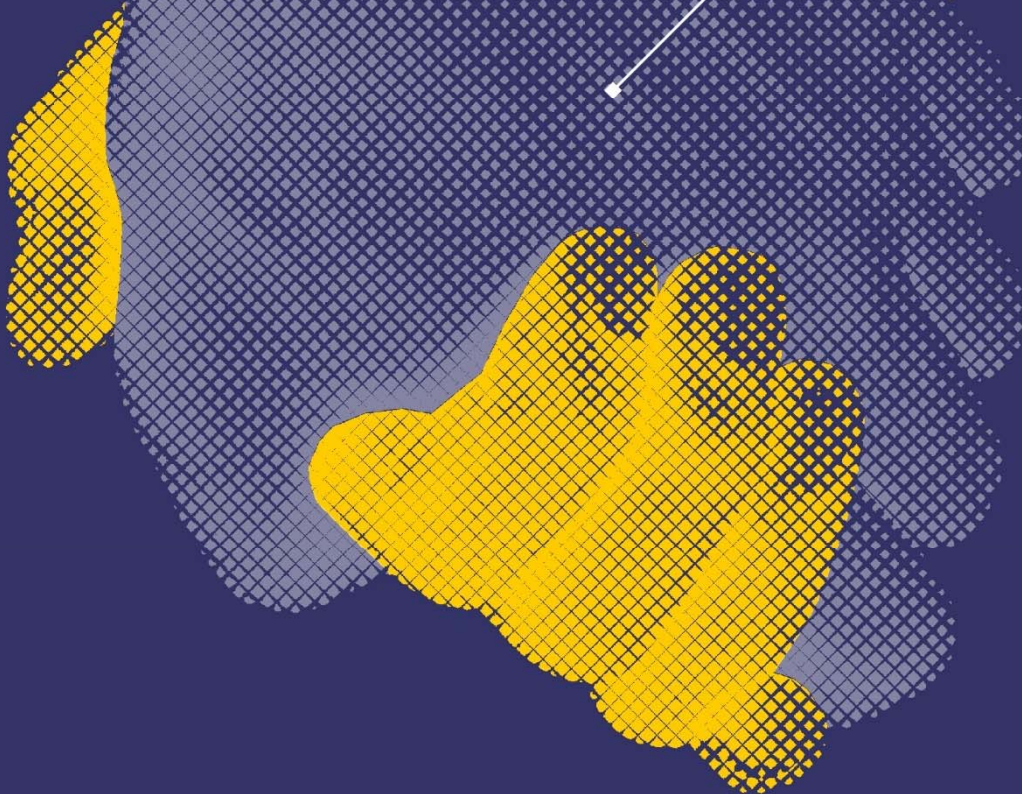
## Escrow restrictions

There are no issued OneVue securities with escrow restrictions as at 12 September 2018.



# CORPORATE DIRECTORY

PARTNERING  
FOR THE  
FUTURE



# CORPORATE DIRECTORY

## Directors

- Ronald Dewhurst (Chair)
- Stephen Knight
- Andrew Macpherson
- Connie Mckeage (Managing Director)
- Garry Wayling

## Company Secretary

- Ashley Fenton

## Notice of Annual General Meeting

The details of the Annual General Meeting of OneVue Holdings Limited are:

10am on Thursday, 29 November 2018

Computershare Investor Services Pty Limited

Level 4

60 Carrington Street

Sydney NSW 2000

Phone: 1300 850 505 | (02) 8234 5000

## Registered office and principal place of business

Level 5

10 Spring Street

Sydney NSW 2000

Phone: (02) 8022 7400

## Share register

Computershare Investor Services Pty Limited

Level 4

60 Carrington Street

Sydney NSW 2000

Phone: 1300 850 505

## Auditor

Deloitte Touche Tohmatsu

Grosvenor Place

225 George Street

Sydney NSW 2000

## Securities exchange listing

OneVue Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: OVH)

## Website

onevue.com.au

OneVue Holdings Limited  
ABN 15 108 221 870  
PO BOX R713, Royal Exchange NSW 1225  
Level 5, 10 Spring Street, Sydney NSW 2000  
P 1300 219 787 | F +61 2 8022 7448  
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[onevue.com.au](http://onevue.com.au)

*Strength in numbers*

